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County of San Bernardino

INTEROFFICE MEMO

DATE May 11, 2004
Mark H. Uffer
FROM MARK UFFER
Interim County Administrative Officer
TO MEMBERS
Board of Supervisors

PHONE 387-5418

SUBJECT REVISED FINANCING PLAN FOR 2004-05 BUDGET WORKSHOP

On March 2, 2004, Wally Hill, then County Administrative Officer, presented to the Board of Supervisors a 2004-05 Budget Financing Plan. A copy of that agenda item is attached for your reference. That plan provided the basis for distributing locally financed budget targets to general fund financed departments to develop their 2004-05 proposed budgets. Those budget targets included up to a 21% reduction in local financing to departments. This reduction was recommended to cover the projected state budget decrease as well as to implement a form of zero-based budgeting. Wally Hill resigned from office in mid-March. I came into office shortly afterwards, and created a County Operating Budget Team to review these budget targets.

The County Operating Budget Team had discussions on budget issues/challenges facing the county in the next fiscal year and future years and what should be the best approach to take in building the upcoming 2004-05 budget targets. The team proposed to revise those 2004-05 budget target recommendations. Instead of the 21% reduction that was previously put forward, the County Operating Budget Team eliminated inflation financing, elected to reduce selected public safety departments by 4% (Sheriff, District Attorney, Public Defender and County Fire), recommended a 9% local cost reduction to the remaining general fund financed departments, and directed other operational and structural changes to be made in order to present a balanced budget. The Board of Supervisors approved these revised targets and enclosed in this workbook are the departmental budgets submitted and reviewed by the County Administrative Office.

The 2004-05 proposed budget workbook has been designed to be more user friendly for the Board of Supervisors, the departments, and the public. The workbook includes:

- A mission statement from each of the departments
- An organizational chart, which portrays what functions the department performs as well as how much staffing by function is included in their 2004-05 budget
- Expenditure and financing pie charts, which shows what % of the 2004-05 budget is spent on salaries, services, etc. as well as what % of financing sources such as local cost, fee supported revenues, etc. that is available to the department in 2004-05

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REVISED 2004-05 FINANCING PLAN
May 11, 2004
Page Two

- The Board Approved Base Budget, which includes the approved costs mentioned in the March financing plan, impacts due to proposed state budget cuts (see consolidated listing of these in Attachment A) and any other Board approved agenda items.
- The Department Recommended Funded Adjustments, which includes any changes made by the department within their allocated local cost or other financing source

Any program or workload changes that could not be financed within current departmental allocation are presented as policy items in this workbook. A summary of the requested policy items is included as Attachment B. Fee ordinance adjustments are not incorporated in the enclosed budgets, but are included for approval. A summary of the requested fee adjustments is included as Attachment C. Details on the fees are included within the applicable departmental budget submittals. The majority of the requests are to increase appropriation if the fee is approved. A few of the departments submitted fee increases to restore their 9% local cost reduction. In addition, for some general fund departments, if the fee is approved it would save general fund financing by reducing the department's reliance on local cost.

REVISED 2004-05 FINANCING PLAN

Since March 2, 2004 the county has adjusted local cost allocations and have received additional actual data on discretionary revenue as well as departmental activity from March and April. This new information was analyzed and the County Administrative Office is revising the county's 2004-05 financing plan as follows:

	(In Millions)	
	Ongoing	One-time
Financing Available as of March 2, 2004	15.8	52.8
Increase in Fund Balance	-	1.8
Adjustments to Local Cost:		
Local Cost Reduction Savings	13.2	-
Not finance inflation	1.1	-
Use of Realignment for Mandated Backfill	1.4	-
Subtotal Revised Financing Available	31.5	54.6
Set Aside for Future Retirement Costs	(7.9)	-
Revised Financing Available	23.6	54.6
State Budget Hit based on January Proposal	(32.7)	
Remaining Ongoing Deficit to Cover	(9.1)	
Financing Options In Process:		
Furlough Savings	7.1	
Reorganization Savings	2.0	
Balanced 2004-05 Proposed Budget	-	

Increase In Fund Balance

The County Administrative Office is expecting an increase in anticipated fund balance of \$1.8 million, from \$41.6 million to \$43.4 million, at the end of 2003-04 for three reasons. Departmental savings is anticipated to be \$12.8 million higher than projected in the March 2, 2004 financing plan. This is caused by the continued hiring freeze for all county departments, increased recording revenue in the Auditor's budget, decrease Court Ordered Placements for juveniles and using Prop 172 revenue to cover the Sheriff's shortfall instead of the general fund.

This increase in fund balance is offset by an estimated use of \$8.4 million in contingencies to assist in purchasing a building for court relocation and other county uses. In addition, discretionary revenue is estimated to net \$2.6 million less overall, mainly due to lower projections in vehicle license fees (VLF). This is occurring as a result of the signing of AB 1457 on May 4, 2004, which for this fiscal year only will shift an estimated \$165.0 million statewide from discretionary VLF to backfill realignment VLF.

Adjustments To Local Cost

Included in the state's January Proposed Budget there is a proposal to take approximately \$32.7 million from the County of San Bernardino in the form of property tax revenue and booking fee revenue in order to help cover the State's deficit. These two discretionary revenue sources finance the department's local cost. Therefore, county departments were requested to build their 2004-05 proposed budget with a lower local cost allocation, which created savings of \$13.2 million. In addition, the revised financing plan does not finance inflation for 2004-05, which created savings of \$1.1 million. Also as part of the state's January Proposed Budget there is a proposal to shift a portion of local county child support collections to the state general fund, which presently cover the mandated local share required for that program. The original financing plan had the general fund backfilling this state shift in financing. The revised financing plan will use social services realignment to backfill this mandated local share, which allowed \$1.4 million to be redirected toward funding the county's shortfall. These adjustments total \$15.7 million in savings, which will assist in covering almost half of the projected reductions created by state's budget crisis.

Set Aside For Future Retirement Costs

The county will be facing significant increases in retirement costs beginning in 2004-05 due to an estimated unfunded actuarial accrued liability (UAAL) of \$1.1 billion. It is for this reason that the county is setting aside \$7.9 million in ongoing financing to assist in covering these future costs. The county is also looking into issuing a pension bond to reduce interest expense on a portion of the UAAL.

Financing Options In Process

Even with the adjustments to local cost, there is still an estimated \$9.1 million ongoing deficit in order to cover the state budget impact to discretionary revenue of \$32.7 million. Currently we are the possibility of implementing some form of furlough and conducting studies for reorganizations in order to generate additional savings to balance the 2004-05 budget.

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REVISED 2004-05 FINANCING PLAN
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Furlough Savings

Representatives of the county have met with representatives of all employees associations to begin negotiations in possible reductions in labor costs to mitigate the effect of anticipated reductions in revenue primarily due to the state budget. All county MOUs are in effect at least until the end of the calendar year. The county cannot implement changes to current or anticipated compensation without the agreement of the affected county labor associations. The association representatives have asked for additional information regarding the budget and have asked that the Board give serious consideration to golden handshakes or other early retirement incentives. We are working to complete these analyses and will meet with the associations in May to discuss further.

Reorganization Savings

There are currently two reorganizations the County Administrative Office is evaluating to determine if potential general fund savings can be generated. The County Administrative Office is always constantly vigilant for any opportunities to make the county more efficient with taxpayer dollars.

The financing plan before you incorporates the combination of these two financing options in order to build a balanced 2004-05 budget, using ongoing revenue sources to finance ongoing costs. If any of the assumptions put forward in this plan change substantially, we will return to the Board of Supervisors to receive additional direction.

MU:VC:des

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

March 2, 2004

FROM: **WALLY HILL**, County Administrative Officer
County Administrative Office

SUBJECT: **POLICY DIRECTION ON 2004-05 BUDGET TARGETS**

RECOMMENDATIONS:

1. Review the financing and policy issues identified in this report, including the spending and revenue projections used to develop the 2004-05 proposed budget financing plan, and the County Administrative Officer recommendations in developing budget targets.
2. Direct the County Administrative Officer to build departmental budget targets for the 2004-05 proposed budget based on the data and conclusions in this report, as modified by further Board action.

BACKGROUND INFORMATION: This report is the initial step towards development of the 2004-05 final budget. This report will be used as the basis for the development of budget targets to be issued to county departments. It describes how the county is financing the 2004-05 budget targets and how much available financing remains to address known issues, such as the state budget crisis.

Components of the financing plan included in this report are:

- Analysis of the 2004-05 financing plan:
 - 1) Financing Available
 - 2) Cost to Maintain Current Services
- Analysis of proposed state budget impact to the county
- 21% reduction in non-mandated 2004-05 local cost
- Review of county policies as to use of one-time funds and general-purpose revenues
- Summary of potential options for salary savings
- Conclusion

2004-05 FINANCING PLAN

Projections for additional financing available for next year's budget include \$54.2 million in ongoing funding sources and includes \$67.3 million in one-time sources as summarized on the chart below:

FINANCING AVAILABLE FOR 2004-05

	(In Millions)	
	Ongoing	One-time
Beginning Financial Position	14.3	29.4
New Discretionary Revenue	24.2	
New Prop 172 Revenue	15.7	
Estimated Additional One-Time Money Available		37.9
Total Financing Available	54.2	67.3

Record of Action of the Board of Supervisors

BEGINNING FINANCIAL POSITION

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POLICY DIRECTION ON 2004-05 BUDGET TARGETS
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When building the previous year's budget, the Board of Supervisors did not allocate a significant amount of ongoing and one-time sources in order to finance future funding issues. A portion of this money has been used during the year and the remaining unallocated balances are \$14.3 million in ongoing sources and \$29.4 million in one-time sources. This money is available to be used in 2004-05.

NEW DISCRETIONARY REVENUE

New discretionary revenue is outlined in the chart below. The growth from prior year's budget in discretionary countywide revenues is estimated to be \$24.2 million and is based on the following.

	(In Millions) Ongoing
Property Tax Assessed Valuation Growth	9.2
Property Transfer Tax	3.7
Motor Vehicle License Fee	5.0
Interest	1.8
COWCAP	1.5
Sales Tax	0.9
Other	2.1
Total New Ongoing Discretionary Financing	24.2

Property tax revenue is expected to increase by \$9.3 million based on an assessed valuation growth of 8.0%. This is offset by an estimated \$ 0.1 million in property tax losses due to last year's wildfires.

Property Transfer Tax revenue is expected to grow 12.3% over the current year-end estimate; 12.3% is the ten-year average growth rate of this revenue. The Property Transfer Tax is collected only when there is a sale of property (not a refinance). The rate is \$0.55 per \$500. If the sale is in an incorporated area, the city gets half of the transfer tax and the county gets half of the transfer tax. In the unincorporated area, the county gets the entire share.

Vehicle license fee revenue is expected to grow 4.8% over the current year-end estimate (adjusted to include the unpaid backfill). This is based on projections from local economists.

Interest is expected to increase by \$1.8 million based on slightly higher interest rates and a 5% decrease in general fund balance.

COWCAP is expected to increase \$1.5 million based on the ten-year average growth rate of 7.4%.

Sales tax revenues are expected to grow 4.8% over the current year-end estimates. This is based on input from local economists.

Other revenues are expected to increase by \$2.1 million; \$1.2 million of this increase is in Property Tax Administration fees, which rise with property tax revenues. In addition, Franchise Fees, PILT and Aircraft taxes are expected to increase slightly with an offsetting decrease in the Hotel Motel Tax.

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NEW PROP 172 REVENUE

Proposition 172, which became effective January 1, 1994, created a one-half percent sales tax rate in the state's constitution to provide funding resources to qualifying public safety services. The Board of Supervisors approved the allocation of this sales tax to the following public safety departments: Sheriff (70%), District Attorney (17.5%) and Probation (12.5%). In 2003-04 the total amount of Proposition 172 sales tax budgeted is \$97.3 million. The current estimate for Proposition 172 revenue that will be received in 2003-04 is approximately \$105.3 million, which is \$8.0 million above the budgeted amount. This growth in 2003-04 and the estimated growth of 7% in 2004-05 translates into \$15.7 million available to assist in financing the 2004-05 increased costs for the three departments mentioned above.

ESTIMATED ADDITIONAL ONE-TIME MONEY AVAILABLE

The chart below summarizes estimated additional one-time money, totaling \$37.9 million, that will be available in the 2004-05 budget. Following the chart is additional information regarding these one-time sources.

	(In Millions) One-time
2003-04 Ongoing Contingencies Not Used	13.8
2003-04 Departmental Operation Savings	3.3
Additional Countywide Discretionary Revenue in 2003-04	3.2
General Fund Share of Termination Payments of Solid Waste Investment Agreements in 2003-04	2.0
Additional Tobacco Settlement Proceeds in 2003-04	0.7
Debt Refinancing Savings	2.0
Use of Equity Pool Reserve	0.1
Use of Justice Facilities Reserve	1.0
Solid Waste Transfers	5.0
ARMC Lawsuit Settlement	6.8
One-Time Money Available for 2004-05	37.9

Analysis of the current year's budget status shows existing unused, ongoing contingencies that are available for one-time expenses in 2004-05. In the current year, there is also estimated departmental savings and additional revenue projected to be received that is available for one-time expenses in 2004-05.

On September 17, 2001, the Board authorized the refunding of the 1992 West Valley Detention Center Certificates of Participation. The total debt service savings, which was structured over a three-year period, totals \$7,470,447. In 2002-03 savings of \$1,055,777 was realized and was used, together with \$2.1 million in savings from the refinancing of the 1992 Justice Center/Airport Improvement Project, to prepay \$3.2 million in principal of the Glen Helen Series D taxable debt. In 2003-04, savings of \$4,401,747 was realized, and was set aside with other one-time monies available in 2003-04 to offset potential impacts of the state budget. In 2004-05, the remaining \$2,012,923 in refinancing savings will be realized.

This \$1.0 million use of the Justice Facilities Reserve is to offset the costs of the approved safety MOU and the use of \$0.1 million of the Equity Pool Reserve is to offset approved equity adjustments.

The Solid Waste Enterprise fund has been making an annual payment of \$5.0 million to the general fund since 1995. This payment serves as a reimbursement for the value of certain landfill properties acquired by the county prior to 1983, when the Solid Waste Enterprise fund was established. This reimbursement was approved by the Board of Supervisors on October 31, 1995 and is estimated to cease in 2005-06 once the balance is satisfied. For this reason, the entire \$5.0 million is included as a one-time financing source in 2004-05.

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The ARMC lawsuit settlements totaled \$8.8 million. After final payments pursuant to the settlement agreements, final payments for legal fees, final insurance premiums, and after setting aside \$1.3 million for the remaining estimated costs of shower and floor repairs at the ARMC, \$6.8 million of the settlement monies remain available for appropriation.

COST TO MAINTAIN CURRENT SERVICES

The prior sections of this report addressed the financing available for 2004-05. This section will address increased costs in 2004-05 to maintain current services. The chart below summarizes the adjustments to prior year's budget that are included in the financing plan for both one-time and ongoing costs. Following the chart is a brief description of each cost component.

	(In Millions)
MOU Increase in 2004-05	8.7
Retirement Rate Adjustments	15.9
Workers' Comp & Other Insurance Costs	5.4
Central Computer	2.0
Inflation	1.7
High Desert Detention Center	1.3
Unemployment Insurance	1.3
Debt service	0.9
County Fire MOU Increase in 2004-05	0.5
Other Unavoidable Costs	<u>0.7</u>
Total Ongoing Costs	38.4
Financing to Other Funds	4.5
Contribution to Priority Policy Needs	1.0
Transfer Justice Facilities Reserve to Sheriff	1.0
Maintain Contingencies per Board policy	5.6
Contribution To Reserves Per Board Policy	<u>2.4</u>
Total One Time Costs	14.5

MOU Increase in 2004-05 - \$8.7 million

The county is in the third year of a three-year agreement with employees represented by the general MOU and the exempt compensation plan. Each of these agreements call for a 3.0% salary adjustment in July 2004 along with increases in the flexible benefit plan, at a net local cost of \$6.1 million. The provision of local cost funding of MOU increases for the previously self-supporting functions of Advanced Planning, Parks, and Museums continues.

The county is in the third year of a three and one-half year labor agreement with employees in the attorney unit. This unit's MOU calls for a 3.0% salary adjustment to be received in July 2004 along with increases in the flexible benefit plan. In addition, this unit will also receive a 1.5% salary adjustment in December 2004. The net local cost of these previously negotiated salary and benefit changes is \$1.05 million.

The county is in the third year of the three and one-half year labor agreement with employees in the specialized peace officers and specialized peace officers-supervisory units. These units' MOU calls for a 1.8% increase effective June 2004 along with increases in the flexible benefit plan. These salary and benefit costs have a net local cost of \$0.5 million.

The county is in the second year of a three-year agreement with employees in the safety and safety management units. These units' MOU calls for a 1.0% salary adjustment in October 2004. While there is no increase in their flexible benefit plan dollars, there are increases to the health and dental plan subsidies provided to employees. The net local cost associated with these previously negotiated salary and benefit adjustments is \$1.05 million.

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Retirement Rate Adjustments - \$15.9 million

Employer retirement contributions are composed of two rates: a rate set by the county to cover payment of the existing pension obligation bond and a rate set actuarially by the Board of Retirement. In 2004-05, there was no change to the rate component associated with the pension obligation bonds. The rate from the Board of Retirement, however, increased significantly for both general and safety employees. This increase is the result of increases in unfunded actuarial accrued liabilities (UAAL) and increases in benefit costs associated with the 3% at 50-retirement benefit provided to safety employees. As a consequence of these factors, general employee local cost will rise \$8.5 million and safety employee local cost will increase \$7.4, for a total local cost of \$15.9 million.

Workers' Comp and Other Insurance Costs - \$5.4 million

Increases to Workers' Compensation premiums are required to offset increasing expenses for claims. This increase of \$4.0 million is consistent with the five-year recovery plan, which aims to be 70% marginally acceptably funded by 2007-08. Other insurance costs, which include property, liability, surety, and medical malpractice increased by \$1.4 million in local funding requirements.

Central Computer Rate Increases - \$2.0 million

In 2003-04, the Information Services Department decreased their rates on a one-time basis to use their surplus retained earnings from prior years. Rates in 2004-05 have been increased to finance the actual costs incurred including the increased costs in MOU, retirement, workers comp, and inflation.

Inflation - \$1.7 million

Based on the most recently available economic forecasts from the California Department of Finance, a general inflation rate of 2% was used in the development of the 2004-05 budget. Inflation-related increased costs of goods and services based on this rate are projected to require an additional \$1.1 million in local funding. In addition, there is approximately \$596,000 in local cost increases in the Utilities budget due to the projected utility rate increases.

High Desert Detention Center - \$1.3 million

On February 3, 2004, the Board approved funding and staffing for the High Desert Detention Center scheduled to open in September 2004. Increases in local funding for this facility are reflected in the Facilities Management budget unit (\$185,184) and the Probation budget unit (\$1,121,300).

Unemployment Insurance - \$1.3 million

Unemployment insurance (UI) costs are increasing by \$1.3 million due to the elimination of the Public Service Employee positions, which have resulted in a greater number of former County employees that are now eligible to receive UI benefits. In addition, the maximum weekly benefits paid by the state, but reimbursed by the county, have increased from \$230 to \$410 effective January 4, 2004.

Debt Service - \$0.9 million

The 2002 Justice Center/Airport Improvements Financing Project refinanced the costs of constructing the Foothill Law and Justice Center and four airport assembly buildings at the Chino Airport. To date, the portion of debt service allocable to the airport assembly buildings has been paid by revenues from the lease of these buildings and a lease termination payment made by Lockheed in 1996. Beginning in 2004-05 it is anticipated that there will be insufficient lease revenues to cover any of the Airport's \$ 0.9 million share of the debt service, and is the reason for the local cost increase included in the proposed targets.

County Fire MOU Increase - \$0.5 million

County Fire is in the second-year of its three-year MOU. This MOU calls for a 2.5% salary increase in October 2004. The general fund subsidy for these costs will increase \$0.5 million.

Other Unavoidable Costs - \$0.7 million

The net change in other unavoidable costs is \$0.7 million, the major changes include the loss of local match share for CalWorks payments and increases in the local cost share of Human Services System entitlement payments. This rise in costs is offset by a reduction in local cost in the Probation's Court Ordered Placements budget unit of \$1.0 million due to fewer projected placements.

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Financing to Other Funds - \$4.5 million

Capital Improvements - As part of the financing plan, \$3.5 million has been allocated to the Capital Improvement Program.

General Plan Update - The county general fund has been contributing money to finance a portion of the general plan update. To date \$3.5 million has been allocated for this purpose. An additional \$1.0 million will be allocated in 2004-05. The remaining planned contribution will be \$0.5 million in 2005-06.

Contingencies - \$5.6 million/Contributions to Reserves - \$2.4 million

These funding recommendations are based on established county policy discussed later in this memo.

SUMMARY OF PRELIMINARY 2004-05 FINANCING PLAN

	(In Millions)	
	Ongoing	One-time
Financing available	54.2	67.3
Cost to Maintain Current Services	(38.4)	(14.5)
2004-05 County Surplus	15.8	52.8

This report has identified \$54.2 million in ongoing financing available and \$67.3 million in one-time financing available in 2004-05. This report also recommends to use \$38.4 million in ongoing financing to fund increased costs to maintain current services and \$14.5 million in one-time financing to adhere to county policy and finance capital improvement projects. After financing these increased costs, the county is projected to have available discretionary ongoing revenues of \$15.8 million.

STATE BUDGET IMPACT

On January 9, 2004, the Governor's Proposed Budget for 2004-05 was announced. The County Administrative Office immediately enlisted departments' assistance in identifying specific budget impacts. If the January 9th budget submitted by the governor is adopted, the total fiscal impact to the County of San Bernardino is expected to be \$76.6 million for 2004-05. Of this amount, \$56.2 million will impact the availability of discretionary revenue, which funds departmental local cost. These state budget impacts are all believed to be on-going in nature, rather than a one-year impact. For that reason, on-going cuts need to be identified.

Discretionary Revenue Taken by State	\$32.7 million
Reduced In Home Supportive Services Support from State	\$10.4 million
Continuation of State Cuts – Built in 2003-04 County Budget	\$ 7.2 million
Mandated Backfill due to State Cut	\$ 1.4 million
Direct State Cuts to County Departments	<u>\$ 4.5 million</u>
	\$56.2 million

Typically budget targets are issued to county departments based on the projected increase in available financing and the estimated increase in known costs to maintain the current services provided within the county. However, this is the second year in a row that the county has a gray cloud hovering over us that can lead to a significant downpour at anytime. Because of the uncertainty of the 2004-05 State Budget, plans need to be put in place in order to ensure the county remains financially structured in 2004-05.

Even if the present plan submitted by the Governor does not come to pass, it is strongly believed there will be significant impacts to the county's discretionary revenue but the exact amount is not known. This report recommends that the county develop their 2004-05 budget targets assuming the discretionary revenue of \$32.7 million, which is a portion of the county's property tax and all of the county's booking fee revenue, is taken.

The proposed budget targets do not include the backfill for the \$10.4 million with the assumption that the county will not exceed the state's funding level of the IHSS provider hourly wage. If this assumption does not materialize, further reductions will need to be made. The \$7.2 million and \$1.4 million mentioned above is factored into the proposed 2004-05 budget targets. The \$4.5 million is not factored into the proposed 2004-05 budget targets and is recommended to be absorbed within the particular department that had received the funds. This recommendation follows the same guidelines as grants received by departments.

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It should be noted that the Probation Department will be losing \$4.2 million and may have to eliminate programs that may be cost effective to alleviate over crowding in juvenile hall.

SUMMARY OF STATE BUDGET IMPACT TO 2004-05 FINANCING PLAN

	(In Millions)	
	Ongoing	One-time
Financing available	54.2	67.3
Cost to Maintain Current Services	(38.4)	(14.5)
2004-05 County Surplus	15.8	52.8
Set Aside for Future Retirement Costs	(7.9)	0.0
Available for State Budget Hit	7.9	52.8
Discretionary Revenue Taken By State	(32.7)	0.0
Resulting 2004-05 County Deficit	(24.8)	52.8

21% NON-MANDATED LOCAL COST REDUCTION

The prior sections of this report addressed the county financing available, the known new costs for 2004-05 and the potential state budget impact. Based on the January proposal of the state budget, the county needs to reduce their budget by a minimum of \$24.8 million, which is equivalent to a 11% reduction in non-mandated local cost if proportionately distributed to all general fund departments. For this financing plan, mandated costs have been narrowly defined as specifically quantifiable, unavoidable costs. This section addresses the proposal of requesting general fund departments to build their 2004-05 budget with a local cost reduction that is 21% of their 2004-05 non-mandated local cost as detailed in 2004-05 Preliminary Target Worksheet (Attachment A). This proposal reflects a form of zero-based budgeting.

Zero-based budgeting is a technique by which budget requests must be justified in complete detail by each function starting from a level well below the existing level of funding. While in theory, the starting point is zero, few practitioners of zero based budgeting require rejustification of every dollar. More typically, the analysis usually begins at 70%-80% of the current level of funding. This technique is used when planning and decision-making is made on a priority basis. Since this budgeting process requires a re-examination of existing levels of functions, instead of the traditional focus on increments, it would require a significant amount of staff time to implement each year. The County Administrative Office believes that this is a good technique to implement a modified form of this budgeting technique in the upcoming 2004-05 budget year due to the potential state budget hit.

By having all general fund departments build their 2004-05 budget with 21% less in non-mandated local financing, there will be approximately \$46.0 million in possible reductions in general fund departmental budgets. During budget workshops in late May, the County Administrative Office will be recommending that the Board of Supervisors restore \$21.2 million of these reductions based on county priorities and the remaining \$24.8 million in reductions be approved in the county budget pending the adoption of the state budget.

COUNTY FINANCING POLICIES

In 1998 the county adopted a formal budget financing policy and a reserve policy. The key elements of these policies are described below:

Budget Finance Policy

- One-time funds will not be used to finance ongoing operational costs, except within the context of a larger plan to balance ongoing revenues and costs over a multi-year period.
- No less than one-third will be allocated to increasing reserves to the 10% target level as defined in the County's Reserve Policy.

Reserve Policy

- The county shall establish an ongoing general-purpose reserve for the general fund targeted at 10% of locally funded appropriations.
- The county will maintain an appropriated contingency fund to accommodate unanticipated operational changes, legislative impacts or other economic events affecting the county's operations, which could not have been reasonably anticipated at the time the budget was prepared. Funding shall be targeted at no less than 1.5% of locally funded appropriations.

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The definition of locally funded appropriations is defined as those which are funded by discretionary, unrestricted property tax, sales tax, motor vehicle-in-lieu taxes, interest income, and other revenues not linked to specific programs.

For 2004-05, the locally funded appropriations are projected to be \$372.1 million. A general reserve requirement of 10% would be \$37.2 million and an appropriated contingency of 1.5% would require \$5.6 million.

The financing plan includes \$5.6 million in the county contingency budget and recommends a contribution of \$2.4 million to the general purpose reserves to satisfy the requirements of these policies.

The county has several types of reserves. Some are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects. The general reserves are funds held to protect the county from unforeseen increases in expenditure or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the county. All of these reserves are one-time in nature and can only be used as a temporary fix. They are not viewed by staff as appropriate remedies for the likely state budget cuts, as those are on-going cuts.

A listing of those reserves and the planned contributions are shown below:

<u>COUNTY RESERVES</u>			
	Estimated June 30, 2004 Balance	Recommended Contribution /(Use)	Estimated June 30, 2005 Balance
General Purpose Reserves	34,823,568	2,388,781	37,212,349
Specific Purpose Reserves			
Medical Center Debt Service	32,074,905		32,074,905
Teeter Reserve	19,260,087		19,260,087
Restitution Reserve	2,114,234		2,114,234
Retirement Reserve	7,000,000		7,000,000
Equity Pool Reserve	4,396,690	(122,711)	4,273,979
Insurance Reserve	5,000,000		5,000,000
Capital Projects Reserve	4,000,000		4,000,000
Bark Beetle Reserve	1,830,300		1,830,300
Justice Facilities Reserve	3,885,408	(1,000,000)	2,885,408
West Valley Maximum Security	1,492,986		1,492,986
Reserve for Museum Paleontology	865,000		865,000
Total Specific Purpose	81,919,610	(1,122,711)	80,796,899
Total Reserves	116,743,178	1,266,070	118,009,248

As demonstrated above, the new contribution of \$2.4 million would bring the total general-purpose reserves to \$37.2 million.

The total specific purpose reserves are decreased to \$80.8 million based on the use of \$1.0 million from the Justice Facilities Reserve and \$0.1 million from the Equity Pool Reserve.

SALARY SAVING OPTIONS

Salary and benefit costs represent approximately 83% of the county's general fund expenditures. Since this is a significant percent of expense, the County Administrative Office and the Human Resources Department are exploring several cost saving options. Those options fall into four categories:

1. Unpaid Time Off
2. Freeze/Reduce Wages and Other Benefits
3. Staff Reductions
4. Miscellaneous

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The category of unpaid time off includes such cost reduction measures as furloughs, voluntary time off, and a reduced number of hours in the workweek. In the category of freeze/reduce wages and other benefits, several possibilities are being explored which include the possible deferral of across the board increases, deferral of increases in the flex plan, reducing benefits, reducing retirement contributions, creating a second retirement tier, etc. Possible salary saving options in the staff reductions category includes layoffs and golden handshakes. Lastly, the miscellaneous option incorporates such options as scheduling comp time off, restricting overtime/standby/on call, eliminating special assignment compensation, and a moratorium on reclassifications of filled positions.

As can be expected, these options will require detailed analysis. In addition, several of these options will require re-negotiation with the employee unions. Therefore, policy direction is needed from the Board of Supervisors regarding which, if any, salary savings options to pursue.

CONCLUSION

This report has identified \$54.2 million in ongoing financing available and \$67.3 million in one-time financing available in 2004-05. This report also recommends to use \$38.4 million in ongoing financing to fund increased costs to maintain current services and \$14.5 million in one-time financing to adhere to county policy and finance capital improvement projects. After financing these increased costs, the county is projected to have available discretionary ongoing revenues of \$15.8 million.

This report recommends that half of the \$15.8 million be used to offset the \$32.7 million in discretionary revenue that the state has proposed to take away. As a result, the county needs to reduce general fund financing by \$24.8 million. The County Administrative Office is proposing to implement a modified form of zero based budgeting, which would generate approximately \$46.0 million in reductions. These reductions would be available for the Board's consideration to implement the required \$24.8 million and potentially restore \$21.2 million during the budget workshops in late May.

The County Administrative Office will continue to monitor the state budget process for fiscal impacts as well as continue to refine our own estimates of fund balance and revenues available for next fiscal year. This office will also incorporate into the plan any mid-year actions, which may take place during the remainder of this fiscal year.

REVIEWED AND APPROVED BY OTHERS: This item has been reviewed by County Counsel (Ruth Stringer, Assistant County Counsel, 7-5451) on February 25, 2004.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Wally Hill (387-5418)

STATE IMPACT SUMMARY

Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Admin / Exec	Board of Supervisors	AAA	BDF	General	Direct	Reimbursements	Transfer from the Priority Policy Needs budget unit, which reduces Board of Supervisors' priority policy needs funding, limiting the Board's flexibility in responding to emerging needs.			(282,805)	-	(282,805)
Admin / Exec	Legislation	AAA	LEG	General	Direct	New Staff Member	This budget unit has one position and it is currently vacant. For the 2005 fiscal year, the position is expected to be filled, however, the new employee is expected to begin at step one of the currently budgeted grade.			(19,099)	-	(19,099)
Admin / Exec	Legislation	AAA	LEG	General	Direct	Closure of Sacramento Office	Closed Sacramento Legislation Office reducing rent expense and various other services and supplies expenses associated with that office.			(24,832)	-	(24,832)
Admin / Exec	Clerk of the Board	AAA	CBD	General	Direct	Staffing Reduction - 2.0 Clerk III Positions	Reductions in staffing will impact Agenda Processing and Assessment Appeals functions. Turnaround time required to process agenda items will increase, causing possible delays in the execution of contracts which impact grant funding, provision of services by contractors and other services provided to the County. Time required entering Assessment Appeal Application data into the Assessment Appeals Database would also increase, resulting in additional time needed to resolve appeals and the possible loss of property tax revenues due to enrollment of applicant's opinion of value for their property by default.	(1.0)	(1.0)	(80,480)	-	(80,480)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Reduction of 1.0 Administrative Analyst	Delete a vacant Administrative Analyst position (\$111,106) and reduce services and supplies (\$9,412) associated with this position and the position deleted on September 23, 2003, during the second phase of 30% reduction	(1.0)		(120,518)	-	(120,518)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Reduction of budget for sesquicentennial events	On April 15, 2003, the Board approved an item dealing with the sesquicentennial event planning. This item allocated funds of \$43,000 to the County Administrative Office budget unit for 2003-04.			(43,000)	-	(43,000)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Decrease in rental equipment	Rental equipment had been planned for 2003-04, however, it was not pursued.			(16,000)	-	(16,000)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Decrease in professional services	Reduction in professional services due to the completion of management audits and the customer service survey. There is still \$100,000 in the budget for future management audits.			(48,219)	-	(48,219)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Decreases in Internal Service Funds services	Decreases in the areas of distributed equipment and ISD direct labor			(11,106)	-	(11,106)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Decrease in salaries and benefits	Salaries and benefits are reduced due to new staff beginning at lower steps than previous budgeted staff.			(65,743)	-	(65,743)
Admin / Exec	Co Admin Office	AAA	CAO	General	Direct	Decrease in services and supplies	Various services and supplies accounts, such as general office expense, publications, special departmental expense, and travel.			(15,997)	-	(15,997)
Admin / Exec	Litigation	AAA	LIT	General	Indirect	External Attorney Services	This budget unit funds external attorney services and other litigation related expenses on an as needed basis. The use of contingencies may be required for any new major contracts, or for any material amendments to existing legal contracts.			(36,319)	-	(36,319)

STATE IMPACT SUMMARY

Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Admin / Exec	County Counsel	AAA	CCL	General	Direct	Staffing reductions	To meet this reduction requires the elimination of 2.7 filled attorney's, 1.0 fiscal clerk and 1.0 executive secretary.		(4.7)	(330,679)	-	(330,679)
Admin / Exec	Human Resources	AAA	HRD	General	Direct	Reductions of staffing and services & supplies	Reduction resulting in the decrease of 2.0 positions (1.5 Public Service Employee and 0.5 Human Resources Analyst I) and a reduction to salaries and benefits of \$105,279. Decreases in services and supplies of \$388,962 include reductions for contract services and reduced purchases of office supplies and equipment.	(2.0)		(494,241)	-	(494,241)
Admin / Exec	Information Svs Application Development	AAA	SDD	General	Direct	Reduced salaries & benefits	To meet this reduction requires the elimination of 5.0 filled Programmer IIIs and a 1.0 Clerk II.		(6.0)	(494,433)	-	(494,433)
Admin / Exec	Information Svs Emerging Technology	AAA	ETD	General	Direct	Reduced salaries & benefits	To meet this reduction requires the elimination of a filled System Development Team Leader and a recently vacated Geographic Information Technician I position.	(1.0)	(1.0)	(117,550)	-	(117,550)
Admin / Exec	Behavioral Health	AAA	MLH	General	Direct	Reduce Managed Care Allocation	The State is reducing the Mental Health Managed Care Allocation. Additional Realignment of \$832,587 is being used to offset this reduction in State funding.			-	-	-
Admin / Exec	Public Health	AAA	PHL	General	Indirect	Animal Control Services	All of Public Health's General Fund financing is used for Animal Control activities, as such this entire amount is a direct reduction to that program. The reduction will result in the reduction of 1.3 Animal Control Officer. The result will be less routine field responses and longer response times for emergencies. This number is reflected in lower budgeted productivity numbers.		(1.3)	(64,581)	-	(64,581)
Admin / Exec	County Schools	AAA	SCL	General	Direct	Reduced contribution to schools	The county's contribution to Superintendent of Schools and for related utility costs is reduced.			(64,579)	-	(64,579)
Internal Svs	Arch & Eng	AAA	ANE	General	Direct	Increase in Reimbursements	Managing more projects as a result of contracting for project management services to augment county staff will increase reimbursements.			(56,169)		(56,169)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Staff Reduction-.5 Staff Analyst II	Administration -Reduction in expenses to meet state budget impacts. This reduction will be restored in Department Recommended Funded Adjustments as a result of an overall department adjustment of local cost targets.	(0.5)		(37,087)		(37,087)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Staff Reduction-1.0 Supervising Custodian	Custodial -Deletion of position will decrease the inspection frequency at contracted facilities.	(1.0)		(46,107)		(46,107)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Staff Reduction-.5 Custodian I	Custodial -This deleted position is a part time extra help position that served as a day porter at county facilities.	(0.5)		(21,489)		(21,489)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Reduction in Services and Supplies	Custodial -Reduction in expenses to meet state budget impacts. This reduction will be restored in Department Recommended Funded Adjustments as a result of an overall department adjustment of local cost targets.			(65,336)		(65,336)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Defund 1.0 Grounds Services Superintendent	Grounds -Management for the Grounds Division will be shared by Building Maintenance Superintendent and Facilities Management Division Manager.	(1.0)		(81,887)		(81,887)

STATE IMPACT SUMMARY

Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Increase in Services and Supplies	Grounds -increase in expenses to meet state budget impacts . This increase will be reduced in Department Recommended Funded Adjustments as a result of an overall department adjustment of local cost targets .			10,262		10,262
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Defund-1.0 General Maintenance Worker	Maintenance -Reduction of services necessitates defunding of this position.	(1.0)		(57,289)		(57,289)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Defund-1.0 Maintenance Supervisor	Maintenance -Reduction of services necessitates defunding of this position.	(1.0)		(87,215)		(87,215)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Defund-1.0 Locksmith	Maintenance -Reduction of services necessitates defunding of this position.	(1.0)		(64,646)		(64,646)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Reduction in Services and Supplies	Maintenance -Staff will reduce purchases of non-emergency parts and equipment.			(111,596)		(111,596)
Internal Svs	Facilities Mgmt	AAA	FMD	General	Direct	Defund-1.0 General Maintenance Worker	Maintenance -Reduction of services necessitates defunding of this position.	(1.0)		(51,851)		(51,851)
Internal Svs	Purchasing	AAA	PUR	General	Direct	Staff Reduction-1.0 Buyer II	This action to delete a filled Buyer II would shift the procurement of services from the procurement section to the contracts unit within the department.		(1.0)	(63,502)	-	(63,502)
Internal Svs	Purchasing	AAA	PUR	General	Direct	Staff Reduction-1.0 Clerk II	This action to delete a vacant Clerk II would increase the turnaround time for requisitions to be converted into purchase orders. The turnaround time would increase from one to two days to three to four days, causing departments to experience longer delays in the processing of their requisitions.	(1.0)		(38,495)	-	(38,495)
Internal Svs	Real Estate Services	AAA	RPR	General	Direct	Reductions to salaries & benefits and services & supplies	Reductions to salaries and benefits and services and supplies required to meet the 9% local cost target reduction.			(64,592)	-	(64,592)
Internal Svs	Rents and Leases	AAA	RNT	General	Direct	Decrease in leasing costs	Reduction due to decreased leasing costs.			(39,486)	-	(39,486)
Fiscal	Assessor	AAA	ASR	General	Direct	Reduction in Services and Supplies	This will impact the ability to perform mandated functions.			(28,227)	-	(28,227)
Fiscal	Auditor/Controller-Recorder	AAA	ACR	General	Direct	Increase in revenue	Increase in recording revenue due to high volume of documents recorded.			-	237,443	(237,443)
Fiscal	Treasurer-Tax Collector	AAA	TTC	General	Direct	Reduction in Equipment purchases and Transfer out	Reduction in equipment purchases and operating transfer out for remodel project			(124,532)	-	(124,532)
Law & Justice	Trial Courts - MOE	AAA	TRC	General	Direct	New payment to the state	A new state contribution is mandated in lieu of taking undesignated court fines/fees revenues that currently go to the county.			1,134,812	-	1,134,812
Law & Justice	District Attorney	AAA	DAT	General	Direct	Staffing reductions	Reduce staffing by 6.0 FTE resulting in increased caseload for remaining staff. Filled budgeted staffing amount equals \$573,200; vacant budgeted staffing amount equals \$35,000.	(1.0)	(5.0)	(608,200)	-	(608,200)
Law & Justice	District Attorney	AAA	DOS	General	Direct	Staffing reductions	Reduce staffing by 0.5 Investigator position. This reduction may result in a backlog in the investigation process. All financial impact is salaries and benefits.	(0.5)		(33,629)	-	(33,629)
Law & Justice	Law and Justice Group Administration	AAA	LNJ	General	Direct	Reduce staffing/services and supplies	This program's only 1.0 FTE must be reduced to 0.9 due to state budget impact, and minimal S&S budget is reduced by 58%.		(0.1)	(10,627)	-	(10,627)

STATE IMPACT SUMMARY

Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	Probation	AAA	PRB	General	Direct	Staffing reductions	Staffing cuts to training and recruitment, adult on-site unit, and other probation officers.	(1.0)	(12.0)	(1,277,981)	-	(1,277,981)
Law & Justice	Probation	AAA	PRN	General	Direct	Reduction of salaries & benefits and services & supplies	Reduce overtime, retirement cash-out, and occupational injury budgets. May result in other cuts during the year if these costs rise.			(939,842)	-	(939,842)
Law & Justice	Probation	AAA	PRN	General	Direct	Reduction of federal TANF funding	\$4.2 million reduction would eliminate Boys RYEF treatment program (19.0 FTE), girls RYEF (18.0 FTE), and Bridges (17.0 FTE). Positions will also be eliminated at West Valley Juvenile Hall (10.0 FTE). Staff proposes to fund RYEF/girls and Bridges by transferring local cost from other probation budget units as reflected in Recommended Program Adjustments. See policy item #1 for restoration of RYEF/boys.	(10.0)	(54.0)	(4,200,000)	(4,200,000)	-
Law & Justice	PA/PG/Cons/Coroner	AAA	PAC	General	Direct	Eliminate the Needles and Morongo rent expenses and direct costs	The department is in the process of contracting with Sheriff's Department to provide coverage for the East Desert area. The estimated cost for this is \$108,000 as a one time cost and \$30,000 for on-going annual costs. The office in Morongo is not staffed at this time and investigations are done by the deputies from San Bernardino. See also next item below and policy item request #1 for proposed solution.	-	-	(33,024)	-	(33,024)
Law & Justice	PA/PG/Cons/Coroner	AAA	PAC	General	Direct	Eliminate 1 Deputy Coroner Investigator Position in the Needles Office	Due to the recent retirement of the Deputy Coroner Investigator living in the Needles area, elimination of this position leaves the East Desert with no reasonable coroner service coverage. At this time, the department is in negotiations with the Sheriff's Department to provide coroner service in that area. See also next item above and policy item request #1 for proposed solution.	(1.0)		(79,161)	-	(79,161)
Law & Justice	PA/PG/Cons/Coroner	AAA	PAC	General	Direct	Eliminate 3.5 Deputy Coroner Investigator positions in the San Bernardino Office	If these filled positions are eliminated, there will be substantial delays in death investigations and would cost the department significant overtime, call-back and stand-by pay. At current staffing levels, 2003-04 overtime is 5,548 hours year-to-date, with a projection of 7,000 hours for the entire year. Further reduction of investigators would generate more overtime and burn-out. Additionally, the state is proposing to repeal the SB90 mandate requiring additional autopsy protocols for SIDS deaths. This elimination of \$70,000 in state reimbursement is part of this state cost reduction. See policy item request #2 for restoration.		(3.5)	(267,227)	-	(267,227)
Law & Justice	PA/PG/Cons/Coroner	AAA	PAC	General	Direct	Eliminate 1 Staff Analyst I position	If this position is eliminated, the contracting and monitoring of the Coroner's transport services will have to be handled by the remaining Coroner and/or Administration staff that are already trying to absorb the work of a vacant Clerk III position. See policy item request #3 for restoration.		(1.0)	(67,878)	-	(67,878)
Law & Justice	Public Defender	AAA	PBD	General	Direct	Staffing reductions and services & supplies	Reduce 9.6 FTE and service and supplies resulting in potential increase in costs to the Indigent Defense Budget. Filled budgeted staffing costs equal \$290,050, Vacant staffing costs equal \$500,979 and service and supplies cost is \$24,683.	(7.6)	(2.0)	(815,712)	-	(815,712)
Law & Justice	Sheriff	AAA	SHR	General	Direct	Reduce vacant positions	Cannot fill 31 safety positions.	(31.0)		(3,743,956)	-	(3,743,956)

STATE IMPACT SUMMARY

Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	Sheriff	AAA	SHR	General	Direct	STC reimbursement reduction	\$250,000 reimbursement is eliminated due to state funding constraints.			-	(250,000)	250,000
Law & Justice	Sheriff	AAA	SHR	General	Direct	Reduction in services and supplies	Eliminate services and supplies to maintain staffing in this pretrial detention program.			(49,081)	-	(49,081)
Economic Dev / Public Services	Economic Development/Public Services Group - Administration	AAA	PSG	General	Direct	Reduced contribution to Cooperative Extension	Cooperative Extension is a service sponsored by the University of California/Riverside that includes identification of county agricultural, consumer, and nutrition problems in the local community and provides solutions based on applied research and knowledge. The reduced County subsidy will result in less funding available for Cooperative Extension.	-	-	(5,980)	-	(5,980)
Economic Dev / Public Services	Agriculture/Weights and Measures	AAA	AWM	General	Direct	Pest Exclusion Inspections - elimination of 1.0 FTE Ag Standards Officer	Reduction of 1.0 Agricultural Standards Officer, and the one compact truck and tuition reimbursement associated with this position. See Department Recommended Funded Adjustments section for restoration of this position.		(1.0)	(53,247)	-	(53,247)
Economic Dev / Public Services	Agriculture/Weights and Measures	AAA	AWM	General	Direct	Reduction of services and supplies - various	Decrease in Motor Pool (\$15,017) from rate change; Decreases in Herbicides (\$40,000), non-inventoriable equipment (\$16,500), special department expense (\$5,000), Courier Service (\$3,000) and Travel (\$2,000) are adjustments made to correspond to current expenditure levels as well as comply with the state impact cuts.			(81,517)	-	(81,517)
Economic Dev / Public Services	Agriculture/Weights and Measures	AAA	AWM	General	Direct	Motor Fleet reduction - elimination of 12 vehicles	A fleet reduction of twelve vehicles would require all of our field staff, who do not require specialized vehicles for equipment, to drive their private vehicles. The reduction of fleet charges is offset by increased private mileage reimbursement. See Department Recommended Funded Adjustments section for restoration.			(38,228)	-	(38,228)
Economic Dev / Public Services	Airports	AAA	APT	General	Direct	Reduced security services	Reduction of contract security services at Chino Airport during after-hours and on the weekends.	-	-	(3,524)	-	(3,524)
Economic Dev / Public Services	County Library	SAP	CLB	County Library	Direct	* State ERAF shift reduces property tax revenues by approximately \$1.2 million. * 9% decrease in County General Support (\$26,150).	Less revenues due to State impacts will result in the following: * 37.4 reduction in budgeted staff. * \$435,095 decrease in the 2004/05 book/materials budget. * A reduction in public service hours by approximately eight (8) hours per week at all library branches.	(4.9)	(32.5)	(1,212,520)	(1,212,520)	-
Economic Dev / Public Services	County Museum	AAA	CCM	General	Direct	Defunding of vacant positions	Defund 1.0 vacant deputy director and 1.0 vacant museum senior technician.	(2.0)	-	(144,181)	-	(144,181)
Economic Dev / Public Services	Economic and Community Development - Economic Promotion	AAA	ECD	General	Direct	Reduction in funding for various economic organizations and activities.	The following programs will have funding reductions: Transient Occupancy Tax distribution, \$38,000; Quad State payments, \$13,500; Bear Fest, \$500; the Diamond Venture program, \$500; the High Desert Leadership conference sponsorship, \$1,000; the Mojave Desert Mountain program, \$400; and IEEP, \$18,000. Miscellaneous expenses will be increased by \$67.			(71,833)		(71,833)
Economic Dev / Public Services	Economic and Community Development - Small Business Development	AAA	SBD	General	Direct	Reduction in small business development assistance	This reduction will reduce the amount of small business development assistance, counseling, information dissemination, and business promotion to the residents of San Bernardino County.			(15,334)		(15,334)

STATE IMPACT SUMMARY

Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Economic Dev / Public Services	Land Use Services Department - Administration	AAA	LUS	General	Direct	Staffing Reduction - 1.0 Automated Systems Technician Position	To assist other divisions in reaching the 9% reduction requirements the administration division has reduced staffing by one position. This will reduce administrative salary & benefit costs by \$45,435 and reduce the administrative reimbursements by \$45,435.	(1.0)		-		-
Economic Dev / Public Services	Land Use Services Department - Current Planning	AAA	CUR	General	Direct	Reduction of administrative costs	The LUS Administration division reduced staffing by one position to assist the other divisions in reaching the 9% reduction requirements.			(8,217)		(8,217)
Economic Dev / Public Services	Land Use Services Department - Advanced Planning	AAA	ADV	General	Direct	Reduction in Professional Services	Reduction in professional services due to the completion of work provided by G. Hillier.			(100,000)		(100,000)
Economic Dev / Public Services	Land Use Services Department - Advanced Planning	AAA	ADV	General	Direct	Reduction of administrative costs	The LUS Administration division reduced staffing by one position to assist the other divisions in reaching the 9% reduction requirements.			(12,250)		(12,250)
Economic Dev / Public Services	Land Use Services Department - Code Enforcement	AAA	CEN	General	Direct	Staffing Reduction - 1.0 Code Enforcement Officer II Position	The deletion of this position will require the use of 1.0 CEO II from the Victorville office to cover the Lytle Creek area 2 days per week. Response times in both of these areas may increase due to lack of staff coverage. Reduction includes Salary & Benefits and Service & Supply costs.	(1.0)		(55,889)		(55,889)
Economic Dev / Public Services	Land Use Services Department - Code Enforcement	AAA	CEN	General	Direct	Increase in California Integrated Waste Management Board Grant	Code Enforcement was awarded a \$150,000 grant for Fiscal Year 2003/04 to cover waste tire removal and inspection of tire facilities throughout the County. This amount has been increased to \$300,000 for Fiscal Year 2004/05 and is expected to be renewed through Fiscal Year 2008/09.				150,000	(150,000)
Economic Dev / Public Services	Land Use Services Department - Code Enforcement	AAA	CEN	General	Direct	Reduction of administrative costs	The LUS Administration division reduced staffing by one position to assist the other divisions in reaching the 9% reduction requirements.			(32,673)		(32,673)
Economic Dev / Public Services	Public Works - Regional Parks	AAA	CCP	General	Direct	Reduced park maintenance	Budgeted costs for park maintenance have been reduced to offset the reduction in local cost resulting from state budget impacts.	-	-	(103,184)	-	(103,184)
Economic Dev / Public Services	Registrar of Voters	AAA	ROV	General	Direct	Elimination of 1.0 FTE Business Application Manager position	This position recently became vacant. The Registrar and Assistant Registrar of Voters have increased their management span of control by assuming the duties of this position and by sharing in the supervisory responsibility for staff that were organizationally assigned to the Business Applications Manager position.	(1.0)		(114,521)	-	(114,521)
Economic Dev / Public Services	Registrar of Voters	AAA	ROV	General	Direct	Elimination of 1.0 FTE Elections Technician position	This position was recently vacated due to retirement. This is the one Election Technician assigned to the Voter Services Division which is responsible for voter registration, and petition processing. Eliminating this position will require the ROV to combine the Absentee and Voter Services Divisions into a single division with the Election Technician for the Absentee Voting Division assuming the duties of managing the combined division. Eliminating this position will also require the use of inexperienced lower classified staff to perform the duties. This position is essential to the efficient conduct of the upcoming Presidential Election in November 2004.	(1.1)		(63,474)	-	(63,474)

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Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Economic Dev / Public Services	Registrar of Voters	AAA	ROV	General	Direct	Elimination of 1.0 FTE Elections Clerk position	This position was recently vacated due to retirement. This position is responsible for candidate filing and the design/production of the sample ballot. If the position is eliminated, then existing untrained and less experienced staff will be required to perform these functions. The job is highly visible to candidates including Superior Court Judges and County Supervisors. This position is essential to the efficient conduct of the upcoming Presidential Election in November 2004.	(1.0)		(42,520)	-	(42,520)
Economic Dev / Public Services	Registrar of Voters	AAA	ROV	General	Direct	Reduction of services and supplies - various	Various Services and supplies will be reduced to meet the State budget cut mandate.			(39,749)	-	(39,749)
Human Svs System	Department of Child Support Services	AAA	DCS	General	Direct	Child Support Automation Penalty	The State of California is currently paying a \$194.8 million dollar annual penalty to the federal government for failure to meet child support automation requirements. Beginning in the State Fiscal Year 2003-04 Budget, the State Department of Finance is allocating up to 25% of this penalty to counties. The County of San Bernardino's share is estimated to be \$2,784,426. On September 23, 2003 (item #65) in the State Budget Reduction Impacts and Adjustments item presented to the Board, the CAO requested to have appropriations and local cost increased to reimburse the state for our county's share of the penalty.	-	-	2,784,426	-	2,784,426
Human Svs System	HSS Administrative Claim	AAA	DPA	General	Direct	Increase in Realignment needed due to local cost cut	Local cost cut due to State budget impact to general fund. Additional Realignment revenue of \$298,365 is being used, if available, to reduce local cost.			-	298,365	(298,365)
Human Svs System	AFDC-Foster Care	AAB	BHI	General	Direct	Elimination of County share of Child Support Collections	The State has proposed to eliminate the County's share of child support collections, used to offset local share in this program. Additional Realignment of \$863,698 is being used for additional local share.			-	-	-
Human Svs System	Kinship Guardianship Assistance Program	AAB	KIN	General	Direct	Elimination of County share of Child Support Collections	The State has proposed to eliminate the County's share of child support collections, used to offset local share in this program. Additional Realignment of \$25,000 is being used for additional local share.			-	-	-
Human Svs System	CalWORKs-2-Parent Families	AAB	UPP	General	Direct	Elimination of County share of Child Support Collections	The State has proposed to eliminate the County's share of child support collections, used to offset local share in this program. Additional Realignment of \$35,000 is being used for additional local share.			-	-	-
Human Svs System	CalWORKs-All Other Families	AAB	FGR	General	Direct	Elimination of County share of Child Support Collections	The State has proposed to eliminate the County's share of child support collections, used to offset local share in this program. Additional Realignment of \$700,000 is being used for additional local share.			-	-	-
Human Svs System	Veterans Affairs	AAA	VAF	General	Direct	Reduce staffing/services and supplies	Reduction of 0.5 FTEs of a Veterans Service Rep II position (\$26,339) which will become a part-time position, a reduction of 0.2 FTEs of an Exec Sec II (\$11,244) and a reduction in services and supplies of (\$3,262). Increasing revenue due to increased workload.	(0.7)		(40,845)	42,649	(83,494)

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Group	Department	Fund	Dept	Fund Name	Direct or Indirect	State Impact	Brief Description of State Impact	Vacant Budgeted Staffing	Filled Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Other Agencies (ED/PSG)	Redevelopment Agency	DBR	RDA	Debt Service	Direct	Education Resource Augmentation Fund (ERAF) Shift	Estimated 2004-05 ERAF shift of Property Tax revenue to fund Education. This amount is based upon the January Preview of the State Budget for 2004-05.			-	(275,000)	275,000
								(77.8)	(126.1)	(13,806,191)	(5,209,063)	(8,597,128)

POLICY ITEM SUMMARY

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Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Admin / Exec	N	Clerk of the Board	AAA	CBD	General		1	Restore Clerk III position	The loss of this position would impact the Assessment Appeals and Agenda Processing functions within the department. In Assessment Appeals, property owners disputing the assessed value of their property have the right to a hearing within two years after filing their application. If the deadline is not met the property owner's value is automatically entered into the tax roll which directly impacts the amount of property tax income to the County, i.e. 2001 roll value of Assessment Appeals was \$2.3 billion versus the property owners' value of \$1.3 billion. In the area of agenda processing, the staff processes approximately 3,700 agenda items annually of which two-thirds are contracts. A quick turnaround time in the execution of the documents is important in minimizing penalties due to delayed submission, meeting grant application deadlines and preventing delays in the provision of services by contractors. In FY 2003/2004 there were approximately \$1.2 billion in contracts with \$650 million in grant awards.	1.0	45,911	-	45,911
Admin / Exec	N	Joint Powers Leases	AAA	JPL	General		1	Debt Reduction	The County has experienced savings on its variable rate debt due to historic lows in short term interest rates. It is anticipated that this budget unit will realize \$1.8 million in budget savings in 2003-04 attributable to these low rates. This policy item requests that this \$1.8 million be used to prepay a portion of the outstanding principal on the Glen Helen Taxable Debt, to reduce the County's future variable rate risk. The estimated budgetary savings for 2004-05 as a result of this action is \$149,000.		1,800,000	0	1,800,000
Admin / Exec	N	ISD -Application Development	AAA	SDD	General		1	Restore 6.0 employees	Layoff of 6.0 employees if funding isn't restored would limit our ability to meet workload requirements of general fund applications such as EMACS, Financial Accounting System, Property Information System, Jail Management System, Criminal Index, DA STAR, Treasurer-Tax Collector and other supported applications.	6.0	494,433		494,433
Admin / Exec	N	ISD -Emerging Technology	AAA	ETD	General		1	Restoration of 2.0 employees	If funding isn't restored the impact will be the elimination of 2.0 positions a filled System Development Team Leader and a recently vacated GIS Technician. The impact of not funding the GIS position will be reduction in timely updating of information in the GIS database that is used for public safety dispatching, land use planning, economic development and other mapping applications.	2.0	117,550		117,550
Admin / Exec	N	Behavioral Health	AAA	MLH	General		1	Restoration of Indigent Contracts	Restore contracts with local area hospitals for psychiatric inpatient stays of medically indigent clients. Use realignment to offset costs.		550,000	550,000	-

POLICY ITEM SUMMARY

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Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Internal Services	N	Facilities Management	AAA	FMD	General		1	Restore Custodian I	Deletion of vacant positions in 2003-04 resulted in the reduction of 15.5 general funded custodial positions. This resulted in the reduction of services from five days to one day per week for thorough cleaning of restrooms and trash pick up of office areas. Also, vacuuming in major traffic areas was reduced from once a week to an "as needed basis." Based on current staffing levels, there is one Custodian per 66,000 square feet. The industry standard is one per 24,000 square feet. The addition of four Custodian I's will increase thorough cleaning of restrooms to three times per week and vacuuming of major traffic areas to once per week. Additional positions will also reduce the square footage per Custodian I to 52,100.	4.0	136,000	-	136,000
Internal Services	N	Facilities Management	AAA	FMD	General		1	Restore Grounds Caretaker I	The Grounds Division currently has 20 full time employees who are responsible for the grounds at all county facilities, including supervision and monitoring of contracted services. Since fiscal year 2000-01 staffing has been reduced by 7.0 FTE's and new sites such as Gilbert Street Complex, West Valley Juvenile Hall and now High Desert Juvenile Hall have been added. The addition of 2.0 Grounds Caretaker II's will allow for better overall care and monitoring of the county grounds.	2.0	80,690	-	80,690
Internal Services	N	Facilities Management	AAA	FMD	General		1	Restore Maintenance Mechanics	In 2003-04, 2.0 vacant Maintenance Mechanic positions were deleted that were to be assigned to West Valley Juvenile Detention Center. This facility has been maintained by existing Facilities Management (FMD) staff. Moreover, staffing reductions in the 2004-05 proposed budget due to the State budget cuts has effectively erased the two positions approved by the Board on February 3, 2004, item # 44, to serve the new High Desert Juvenile Detention Center. The requested two additional mechanic positions will help abate these losses and allow FMD to provide seven day coverage as requested by Probation to both sites. Services and Supplies costs include an additional vehicle, as well as other miscellaneous costs associated with the positions. If this is not approved, existing resources will have to be shifted to serve the high desert as it opens, reducing the service levels throughout the county.	2.0	131,590	-	131,590
Internal Services	N	Facilities Management	AAA	FMD	General		1	Additional Utility Analyst	A qualified energy analyst will assist Facilities Management in checking billing accuracy and monitor the county's utility accounts. This position will be responsible for developing an energy efficiency program. This position was recommended in the MCG Consulting Utility Budget Analysis Final Report presented to the Board of Supervisors on March 16, 2004. It is anticipated that this position will pay for itself in utility cost savings. Salaries and benefits will increase by \$68,500 and will be offset by a decrease of same amount in services and supplies.	1.0	-	-	-

POLICY ITEM SUMMARY

Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Internal Services	N	Facilities Management	AAA	FMD	General		2	Additional Fiscal Clerk II	Utility payments are currently processed on over 800 utility accounts. This function is currently being performed by a fiscal clerk assigned to the Maintenance Division. Because of this temporary reassignment, the remaining fiscal clerks have had to assume additional responsibilities which has resulted in an often unmanageable workload for the fiscal staff. A full time clerk assigned to the utility division will ensure utility bills continue to be paid on time, thus avoiding large late payment penalties to the county. This position was recommended in the MCG Consulting Utility Budget Analysis Final Report presented to the Board of Supervisors on March 16, 2004. It is anticipated that this position will pay for itself in utility cost savings. Salaries and benefits will increase by \$40,600 and will be offset by a decrease of same amount in services and supplies.	1.0	-	-	-
Fiscal	Y	Assessor	AAA	ASR	General		1	Restore Mandatory Services	The continual cutting of the services and supplies has led to the department not longer having the financial resources to perform the mandatory functions. These functions include postage/printing of state required documents; local travel and mileage reimbursements for assessments/audits, and overtime to maximize roll value. Without this policy item, the department will not be able to complete its state mandated functions and will have a direct affect on the ability to generate property tax revenue.		278,244		278,244
Law & Justice	N	District Attorney	AAA	DAT	General		1	Restore one DDA position in Desert, West End, Central and Juvenile	Restoration of one DDA position in Desert, West End, Central and Juvenile regions will lessen the caseload for the remaining staff who are already taxed with heavy caseloads.	4.0	460,000	-	460,000
Law & Justice	N	District Attorney	AAA	DAT	General		2	Restore one Deputy District Attorney in general program.	Restore one Deputy District Attorney in general program to accommodate increasing caseloads of attorneys who prosecute misdemeanors and felonies.	1.0	110,000	-	110,000
Law & Justice	N	District Attorney	AAA	DAT	General		3	Restore one Clerk III in general program.	Restore one Clerk III in general program to provide support to attorneys who prosecute misdemeanors and felonies.	1.0	38,200	-	38,200
Law & Justice	N	Law and Justice Group Admin	AAA	LNJ	General		1	Restore 0.1 FTE	Restore 0.1 FTE to maintain 1.0 FTE for this program.	0.1	13,659	-	13,659
Law & Justice	N	Law and Justice Group Admin	AAA	LNJ	General		2	Restore services and supplies	Restore services and supplies to a reasonable level for the year; minimal funding is required to attend one grant writing course.		2,046	-	2,046
Law & Justice	N	Probation	AAA	PRB	General		1	Restore adult case management staff	Caseloads that double (700:1) are impossible, and will result in significantly decreased supervision of probationers--95% of which are felons. This will affect jail populations, and result in employee stress. The Department requests allocation of one-time Prop 172 excess funds from prior years to mitigate this program cut for FY 2004-05 and negate the need for 17 layoffs.	17.0	1,559,461	1,273,713	285,748

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Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	N	Probation	AAA	PRB	General		2	Create adult sex offender unit	Sex offenders are among the most dangerous and difficult offenders on supervised release. Current staffing provides little protection against the recidivism of sex offenders due to average adult caseloads. Probation officers with specialized training would enable the department to address approximately 400 registered offenders in San Bernardino County, including regular visits, home and computer searches, and counseling/therapy attendance enforcement. The Department requests local cost for 6.0 FTE, vehicles, and supplies.	6.0	716,482	-	716,482
Law & Justice	N	Probation	AAA	PRB	General		3	Restore training and recruitment positions	Despite constant turnover and the opening of another juvenile facility, training and recruitment positions were eliminated. Due to negative ramifications and liability related to inadequate training or background checks, the Department is requesting restoration of 4.0 FTE.	4.0	392,825	-	392,825
Law & Justice	N	Probation	AAA	PRB	General		4	Backfill loss of income related to AB3000	As a result of reprioritization of the distribution of fines, the probation department loses revenue. This item requests additional local cost for the adult corrections bureau to offset the projected loss of income for FY 2004-05 in the amount of \$200,240.	-	200,240	-	200,240
Law & Justice	N	Probation	AAA	PRB	General		5	Restore adult on-site unit staff	The adult on-site unit prepares investigations for approximately 450 cases per year, providing a sentencing recommendation the same day as a plea. This unit saves weeks of court time and involves 3.0 FTE.	3.0	280,308	-	280,308
Law & Justice	N	Probation	AAA	PRN	General		1	Reinstate boys RYEF treatment program	This six-month program serves 20 youth that would otherwise be placed in foster care or CYA at a higher cost to the county. Treatment is geared towards self-improvement, including job skills training, drug counseling, anger management and cognitive behavior therapy, general education, and family counseling. Without the program, there may also be an increase in length of confinement time to juvenile hall, resulting increase in occupancy at detention centers. The department is requesting restoration of this program, including 19.0 FTE. Social services realignment will fund \$500,000.	19.0	1,450,490	550,000	900,490
Law & Justice	N	Probation	AAA	PRN	General		2	Expand boys RYEF treatment facility	Relative to the costs of CYA and foster care programs, RYEF is a bargain-priced program with more directed and effective treatment components. If TANF funds are restored, staff recommends expansion of this program by 20 beds, with 5.0 staff and supplies.	5.0	575,600	-	575,600
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		1	MOU with Sheriff's Department for East Desert Coverage	The recent retirement of an employee living in the Needles area has left the East Desert area with no reasonable Coroner Department coverage. An MOU has been discussed with the Sheriff's Department to provide coroner service for the area from Baker to the Colorado River at a lower overall cost and provide more efficient and timely investigations. There would be a \$108,000 one-time cost for coroner investigation/morgue training for 4 Sheriff's deputies and their back-fill during the training. There would be on-going annual cost of only \$30,000 for payroll, including a proposed differential that would be paid to the deputies for those hours actually engaged in coroner activities. Including the reduction of the office rent costs and the elimination of the vacant investigator position included as state budget cuts items #1 and #2, the on-going annual savings realized after the initial cost of this MOU would be \$82,000.		138,000	-	138,000

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Group	(Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		2	Restore 3.5 Deputy Coroner Investigators in San Bernardino Office	If these positions are eliminated, there will substantial delays in death investigations and would cost the department significant overtime, call-back, and standby pay. Projections of 2003-04 overtime hours at current staffing levels is 7,000 hours. Further reduction of investigators would generate even more overtime and burn-out on the remaining staff. These positions are currently filled. See also state budget cut item #3.	3.5	267,227	-	267,227
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		3	Restore 1 Staff Analyst I position	If this position is eliminated, the contracting and monitoring function for the Coroner Department will have to be handled by the remaining Coroner and Administration staff that are already absorbing workload of a vacant Clerk III position. This position is currently filled. See also state budget cut item #4.	1.0	67,878	-	67,878
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		4	Restore 2 Deputy Coroner Investigators in San Bernardino Office	If these positions are eliminated, the Coroner Department will have to reduce and/or discontinue some of the non-mandated investigations such as hospice and emergency room investigations to reduce the workload and avoid additional overtime, callback and standby costs. One position is vacant due to difficulty in recruiting a candidate to pass background. The other position is currently filled with an employee out on medical leave. See also department recommended adjustment item #7. These positions were eliminated due to reduced MAA revenue budget and other needed adjustments.	2.0	160,575	-	160,575
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		5	Restore 7 vehicles for Supv Deputy Coroners and Chief Deputy Coroner	Elimination of these vehicles will cause delays in the investigations and will create increased mileage reimbursement. See also department recommended adjustment item #6. These vehicles were eliminated due to reduced MAA revenue budget and other needed adjustments.		67,137	-	67,137
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		6	Restore 2 Medical Transcriber/Typists in the Coroner Dept	If these positions are eliminated, an agreement with an outside vendor will be needed to provide this service at a cost of approximately \$13,000 annually. This may cause some errors, and delays in service. These positions are currently filled. See also department recommended adjustment item #8. These positions were eliminated due to reduced MAA revenue budget and other needed adjustments.	2.0	62,029	-	62,029
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		7	In-House Body Removal Services	As part of law enforcement, we recognize the importance of chain of evidence and the securing of personal property. More importantly, we recognize the sanctity of the decedents themselves. In 2002 a horrific crime occurred when a contract body transport employee violently and maliciously sexually assaulted the body of a young female decedent. This was despite having policies and procedures in place to ensure compliance through our prior contract body removal service. We feel it would be in the best interest of the County to provide this service on an "in-house" basis. All details of this study are on file in our office. The March 2000 study indicated that by having control over staff and equipment, we could assure ultimately that all above mentioned is being carefully monitored. It is our opinion that performing this service on an "in-house" basis would offer the county the least risk and liability exposure. Policy budget consideration is requested.	10.0	707,219	180,000	527,219

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POLICY ITEM SUMMARY													
Is this Policy Item also a Fee Request??													
Group	(Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		8	Computerized Inventory System for Decedent and Estate Assets	The Coroner, Public Administrator and Public Guardian take possession of personal property belonging to clients under the jurisdiction of these three departments. A computerized inventory system is requested to track all personal property assets, and bar coding will be used for their individual and unique identity. A central database will be used to store data obtained in six (6) different physical locations. A detailed report is available upon request. Recent Grand Jury findings have consistently recommended the acquisition of this computerized inventory tracking system, and we certainly support their findings. Approval of this policy item will provide the desired level of fiduciary asset accountability, and minimize risk/liability to the county.	1.0	129,425	-	129,425
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		9	Restore 1.0 Clerk III position from the Coroner's department	This position has been vacant for some time and the workload has been redistributed to the existing clerical staff. There have been some service delays as a result of this. Restoration of this position is needed to eliminate the travel of one of the other Clerk III from Victorville to San Bernardino 2 days a week. See also department recommended adjustment item #5. This position was eliminated due to reduced MAA revenue budget and other needed adjustments.	1.0	39,352	-	39,352
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		10	Request for Automated Systems Analyst Position	This department has a fully developed local area network (LAN) system that connects to 70+ workstations, as well as access to the county's wide area network (WAN) and the Internet. Currently, the department is contracting for technical support and has utilized an existing employee as an Interim Automated Systems Analyst for the past 7 years and the need is to have a permanent "in-house" Systems Analyst position. Without the guidance and expertise of a full-time Systems Analyst, there is considerable risk and liability for the county the longer this need remains unmet.	1.0	56,000	-	56,000
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		11	Restorations of Funding for Deputy Coroner Positions	One authorized Deputy Coroner position was not funded due to target funding limitations during the 2000-2001 budget. .5 funding reductions in 2001-02 were also made due to funding limitations. Given the geography of the County of San Bernardino and the extensive populations growth in the desert regions, we have encounter increases in reported deaths at the rate of 3.5% annually. The current number of Deputy Coroner Investigators cannot adequately cover our 24-hour/seven days a week operation. Overtime, standby and callback continue to increase in order to cover sick, holiday and vacation time, as well as occupational injuries, court testimony, and continuing education. The addition of one deputy and funding for .5 FTE deputies would allow us to restore our staffing to only a baseline level to reduce risk/liability to the county.	1.5	77,567	-	77,567

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POLICY ITEM SUMMARY													
Is this Policy Item also a Fee Request??													
Group	(Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		12	Request for Deputy Public Guardian Position	The Public Guardian Department places approximately 500 active LPS and Probate conservatees into 100+ different care facilities. The Deputy Public Guardians handle difficult placement issues, and engage in considerable dialog with the facilities. There is a need for a centralized point of contact between the Public Guardian and these facilities. Some of the responsibilities may include, but not be limited to: interface with the Department of Health Services and residential care licensing regarding facility licensing issues, liaison to the care facilities, maintenance of facility information database and new facility reviews. This position would also be utilized to mitigate the existing case management workload.	1.0	62,212	31,106	31,106
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		13	Request for Additional Supervising Deputy Public Guardian Position	The California Probate Code charges the Public Guardian's with responsibility for the care of individuals who are place on conservatorship by the court. The Deputy Public Guardian acts as case managers who place conservatees in care facilities, and perform in-person visits, and manage all aspects of conservatee estates. A new Supervising Deputy Public Guardian is requested to increase supervisor representation in court, at a variety of agency meetings, and to reduce supervisory span of control in the office.	1.0	68,532	34,266	34,266
Law & Justice	N	PA/PG/Conserv/Coroner	AAA	PAC	General		14	Request for Additional Deputy Coroner Positions	With the addition of five (5) Deputy Coroner / Investigator positions, this would allow the Supervising Deputy Coroners more time to focus on supervision and personnel issues, providing extensive vacation/sick leave relief and performing investigations. With the addition of these deputies, overtime compensation will decrease. The five (5) deputy positions will promote a more stress-free work environment for supervisory as well as other employees, in light of increasing caseloads.	5.0	387,835	-	387,835
Law & Justice	N	Sheriff	AAA	SHR	General		1	Restore funding for safety positions and overtime	Public safety will be compromised with understaffing, by potential closure of stations/substations, reduced call responses, and other considerations.	35.5	4,929,898	-	4,929,898
Law & Justice	N	Sheriff	AAA	SHR	General		2	Fund computer lease payments	Computer lease payments were previously paid with asset seizure funds that are now diminished.	-	1,400,000	-	1,400,000
Law & Justice	N	Sheriff	AAA	SHR	General		3	Restore funding for equipment	Investigative and patrol equipment is in need of replacement.	-	200,000	-	200,000
Law & Justice	N	Sheriff	AAA	SHR	General		4	Purchase vehicles	Older vehicles result in increased maintenance expenditures.	-	440,000	-	440,000
Econ Dev / Public Services	N	County Library	SAP	CLB	County Library		1	Library book budget augmentation	During the past three (3) fiscal years, severe cuts in State Aid and Property Tax Revenues have significantly reduced the amount available for County Library's book budget. The \$150,000 budgeted for books in FY 2004/05 represents a minimal level and is financed by contributions from the Friends of the Library. In 2003/04, the Board of Supervisors provided the Library with a \$500,000 augmentation for materials, resulting in a total book budget of \$1,085,000. County Library is seeking an additional \$935,000 from the County General Fund that would restore its materials budget to the FY 2003/04 level. Without this funding, purchases of books, audio-visual materials, magazines, and newspapers will be virtually eliminated.	-	935,000	-	935,000

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Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Econ Dev / Public Services	N	County Library	SAP	CLB	County Library		2	Restoration of staffing and public service hours	Provide funding to restore all positions that were defunded as a result of projected State Budget Cuts. This action would avoid having County Library reduce eight (8) hours of public service per week at all branch libraries.	37.4	777,425	-	777,425
Econ Dev / Public Services	N	County Museum	AAA	CCM	General		1	Mousley Museum of Natural History	The Mousley Museum was closed during FY 2002/2003 due to loss in local cost for the Museum. The Museum is seeking funding to re-open the Mousley Museum and partner with the local community to develop a more community based facility and enhance customer service. The funds being requested would be used to finance the addition of 0.7 Museum Educator and related services and supplies.	0.7	39,962	-	39,962
Econ Dev / Public Services	N	County Museum	AAA	CCM	General		2	Museum Clerk	Additional funding for a Museum Clerk to increase the amount of hours for operating the front desk. Approval of this item will have a positive impact on customer service.	0.5	16,064	-	16,064
Econ Dev / Public Services	N	County Museum	AAA	CCM	General		3	Restoration of marketing budget	Restoration of that portion of the Department's marketing budget reduced by Board action on September 23, 2003. Approval of this item would provide additional funds for newspaper advertising, theatre slides, direct mail, printing services (brochures, flyers, museum guides, etc) and promotion with public television and other media partners.	-	50,000	-	50,000
Econ Dev / Public Services	N	County Museum	AAA	CCM	General		4	Building maintenance	Restoration of that portion of the Department's maintenance budget reduced by Board action on September 23, 2003. As a result of that action, building maintenance at all Museum sites have been severely restricted. Approval of this item would provide funding for much needed repairs and improvements to Museum facilities.	-	30,000	-	30,000
Econ Dev / Public Services	N	County Museum	AAA	CCM	General		5	Educational Center Development	The development of an Educational Center would provide a hands on environment for all visitors to the Museum. This environment would enhance services for school districts, local communities, and residents within the County and the region.	-	31,500	-	31,500
Econ Dev / Public Services	N	Economic and Community Development - Economic Promotion	AAA	ECD	General		1	Restoration of funding for various economic development organizations and programs.	These organizations and activities directly result in increased economic activity in the County thereby increasing capital investment and employment opportunities for our residents. The increases would be directly passed through to the following participating organizations: Transit Occupancy Tax Distribution, IEEP, Quad State, Hi Desert Opportunity, High Desert Leadership Summit, Bear Film Festival, and Morongo Basin - ECOPAC.		71,833		71,833
Econ Dev / Public Services	N	Economic and Community Development - Economic Promotion	AAA	ECD	General		2	Transient Occupancy Tax Program Increase in funding	The County's Transit Occupancy Tax (TOT) Distribution Program provides funds to Chambers of Commerce and other approved organizations that promote tourism and related business services in the unincorporated area of the County. ECD is requesting that the TOT Distribution Program allocation be increased to \$300,000 from \$260,000 the increase would be used to further market our area.		40,000		40,000

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POLICY ITEM SUMMARY													
Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Econ Dev / Public Services	Partially	Land Use Services Department - Code Enforcement	AAA	CEN	General		1	Reinstate Code Enforcement II Position	Due to the State Budget Cuts of 9% 1.0 vacant Code Enforcement II position was deleted. This request is to add back that position in order to maintain the current level of customer service. The deletion of this position will require the use of 1.0 CEO II from the Victorville office to cover the Lytle Creek area 2 days per week. Response times in both of these areas may increase due to lack of staff coverage. This cost will be partially covered by increased fees, if they are approved, and with Local Cost funding required to cover the remaining costs.	1.0	55,889	-	48,199
Econ Dev / Public Services	N	Public Works - Regional Parks	AAA	CCP	General		1	Additional staff and equipment for the County Trails Program	The County trails program is primarily funded through various grants. The grant funded trail projects require a 20 year commitment for operations and maintenance. To meet this commitment, Regional Parks is in need of a Park Ranger II and a 4-wheel drive maintenance truck to ensure the public's safe use of the trails. The total cost of this request for FY 2004/05 is \$132,055, which includes a one time cost of \$65,000 for the truck purchase. Therefore, the ongoing cost of this item would be \$67,055 per year for the Park Ranger II and the operations/maintenance costs related to the truck.	1.0	132,055	-	132,055
Econ Dev / Public Services	N	Public Works - Regional Parks	AAA	CCP	General		2	Increased support for the Trails Program	In FY 1999/2000, the Board approved an annual \$130,098 General Fund contribution to support the Trails Program. Since that time, the Regional Parks Division has not received any increases in General Fund support for additional staffing, operations or maintenance costs. Consequently, there is a need for additional financial support to offset these cost increases. This policy item requests a \$50,000 increase in General Fund support to bridge the gap between the current funding level and the actual costs to operate the program.	-	50,000	-	50,000
Econ Dev / Public Services	N	Public Works - Surveyor	AAA	SVR	General		1	GIS Parcel Basemap - ongoing maintenance	The Surveyor is requesting funding to add 1.0 Engineering Tech V, 1.5 Engineering Tech IV and 0.1 Land Surveyor to update and maintain the GIS Parcel Basemap. The Information Services Department is currently funding the Surveyor's portion of costs relative to the development phase of this project. However, this funding will terminate when the project is completed, which is anticipated in March, 2005. At that time, existing Surveyor staff dedicated to development of the basemap will be reassigned to revenue generating projects. This would leave no staff available to provide ongoing maintenance. If this request is approved, the Surveyor would receive local cost in the amount of \$49,877 in FY 2004/05 and \$199,510 annually thereafter to fund the aforementioned positions committed to maintaining the GIS Parcel Basemap.	0.6	49,877	-	49,877
Econ Dev / Public Services	Y	Registrar of Voters	AAA	ROV	General		1	Restore Election Technician Position	The Election Technician position is an essential part of the ROV election team, and is assigned to the Voter Services Division. The Election Technician manages the voter registration function and petition function of the office. The November Presidential Election is traditionally the one with the most interest among the public and results in the largest increase in voter registrations during a four year election cycle. Not restoring this position may create a gap in the election process that will be filled with less qualified regular and temporary help, which could result in the inability to efficiently perform elections.	1.1	63,474	-	63,474

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Group	Is this Policy Item also a Fee Request?? (Y/N)	Department	Fund	Dept	Fund Name	CAO Ranking	Dept Ranking	Policy Item	Brief Description of Policy Item	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Econ Dev / Public Services	Partially	Registrar of Voters	AAA	ROV	General		2	Restore Elections Clerk position	The Election Clerk position is an essential part of the ROV election team, and is assigned to the Election Services Division. This position is responsible for the filing of candidate documents and the preparation and proofing of the sample ballot. This is an extremely important function, especially for the statewide election in November 2004 when the President, US Senator, members of Congress and the state legislature, and members of the Board of Supervisors are elected. Not restoring this position may create a gap in the election process that will be filled with less qualified regular and temporary help. This could possibly result in the inability to efficiently perform elections.	1.0	42,520	-	42,520
Econ Dev / Public Services	N	Registrar of Voters	AAA	ROV	General		3	Restore services and supplies	This is a reduction of various services and supplies that are necessary for the day to day activities of the department. In the event the department does not receive funding restoration, budgetary shortages will likely occur early in 2005.		39,749	-	39,749
Econ Dev / Public Services	N	Registrar of Voters	AAA	ROV	General		4	Restore Business Applications Manager position	The Business Application Manager is the leader of the computer support area and performs significant functions during major elections. Restoration is requested to alleviate the additional managerial span of control for the ROV and AROV, as a result of the elimination of this position.	1.0	114,521	-	114,521
										188.9	21,234,484	2,619,085	18,607,709

FEE SUMMARY

Group	Department	Fund	Dept	Fund Name	Fee Request	Brief Description of Fee Request	Service Impacts	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Admin / Exec	County Counsel	AAA	CCL	General	Attorney Services	Attorney Services fee increase is due to salaries and benefit adjustments in the MOU over the last two years. The fee is currently at \$110.00 the increase would reflect a \$10.00 increase in order to record it's costs with the outside agencies, such as SANBAG, JPA, and etc.	Non approval of this fee would result in significant reduction in general fund clients services.	3.0	287,295	330,000	(42,705)
Admin / Exec	Behavioral Health	AAA	MLH	General	Medical Records Photocopies	Add fee currently charged by DBH for photocopying releasable medical records' information. \$45,360.	This fee was inadvertently omitted from the county's fee ordinance. Revenue generated by this fee is already included in the budget.	-	-	-	-
Admin / Exec	Behavioral Health	AAA	MLH	General	Continuing Professional Education (CPE) Classes/Certificates	To charge non-county mental health professionals for their costs associated with the class and the certificate \$26,370.	This revenue will offset the use of realignment.	-	-	-	-
Admin / Exec	Behavioral Health	SDC	MLH	DUI PC 1000 Program	Monitoring PC 1000 Programs and DUI programs	Per State regulations and Health and Safety code, the county must charge a fee to monitor private providers of DUI programs. (\$105,854)	This fee has been charged since 1990. It is now presented for incorporation into the county's fee ordinance.	-	-	-	-
Admin / Exec	Public Health	AAA	PHL	General	Environmental Health	PHL is requesting 20 fee increases as a result of increased salary costs.	Non-approval will result in layoffs, fewer inspections of public facilities, which would increase the environmental health risk to the public.	2.8	322,481	322,481	-
Admin / Exec	Public Health	AAA	PHL	General	Animal Control	PHL is requesting 26 fee increases due to reduced local cost and increased salary costs.	Non-approval will result in closure of the Devore Shelter two days of the week, eliminate vaccinations of stray animals, and layoffs.	5.0	255,388	255,388	-
Fiscal	Assessor	AAA	ASR	General	Proposition 58	Reimbursement of costs to process claim for a reassessment exclusion based on a parent to child transfer. New fee of \$50.00	Failure to capture reimbursement for this fee would result in inadequate funding for services and supplies in 2004-05 budget.	2.0	112,500	112,500	-
Fiscal	Assessor	AAA	ASR	General	Proposition 193	Reimbursement of costs to process the claim for a reassessment exclusion based on a grandparent to grandchild transfer. New fee of \$50.00	Failure to capture reimbursement for this fee would result in inadequate funding for services and supplies in 2004-05 budget.		2,500	2,500	-
Fiscal	Assessor	AAA	ASR	General	Proposition 60	Reimbursement of costs to process claims for exclusion based on replacement dwelling. New fee of \$50.00	Failure to capture reimbursement for this fee would result in inadequate funding for services and supplies in 2004-05 budget.		10,000	10,000	-
Fiscal	Assessor	AAA	ASR	General	Parcel Combinations	Reimbursement of costs for processing requests to combine parcels for the purpose of consolidating tax bills. New fee of \$50.00	Failure to capture reimbursement for this fee would result in inadequate funding for services and supplies in 2004-05 budget.		12,500	12,500	-
Fiscal	Assessor	AAA	ASR	General	Timeshare fees	Adjustment of fees to correspond with current processing costs to administer timeshare properties. Fee increased from \$10.00 to \$25.00.	Failure to capture reimbursement for this fee would result in inadequate funding for services and supplies in 2004-05 budget.		82,612	82,612	-
Fiscal	Assessor	AAA	ASR	General	Electronic Maps	Fee to provide ability to provide Assessor maps in electronic (PDF) format. Fee increase from \$3.00 to \$10.00.	Failure to capture reimbursement for this fee would result in inadequate funding for services and supplies in 2004-05 budget.		800	800	-
Fiscal	Auditor/Controller-Recorder	AAA	ACR	General	Accounting fees	ACR is requesting 7 fee increases for the uniform rate.	The uniform rate is based upon cost accounting form the 2004-05 COWCAP		-	31,368	(31,368)
Fiscal	Auditor/Controller-Recorder	AAA	ACR	General	Recorded or filed documents	ACR is requesting 12 fee increases. Rates to be comparable to benchmark counties.	Rates to be comparable to benchmark counties. Statutory fee allowed by Government Code 54985.		-	113,306	(113,306)
Fiscal	Auditor/Controller-Recorder	AAA	ACR	General	Marriage Ceremony and other marriage fees	ACR is requesting 4 fee increases. Rates to be comparable to benchmark counties.	Rates to be comparable to benchmark counties. Statutory fee allowed by Government Code 54985.			63,300	(63,300)
Fiscal	Treasurer-Tax Collector	AAA	TTC	General	Tax Sale Lot Books CD	Reduce the fee from \$500 to \$250. These books were previously prepared using a manual process. Now can be produced through an electronic process which produces cost savings.	No revenue currently budgeted, decrease is estimated to generate \$2,500 in revenue.		2,500	2,500	-
Fiscal	Treasurer-Tax Collector	AAA	TTC	General	Tax Sale Property Characteristics - CD	CD would list the property characteristics of all properties subject to tax sale. New fee of \$250.00.			12,500	12,500	-
Law & Justice	Probation	AAA	PRN	General	Institution Reimbursement Rates	Girls Regional Youth Education Facility - fee increase from \$5.47 to \$10.51 per day.		-	3,311	3,311	-
Law & Justice	Probation	AAA	PRN	General	Institution Reimbursement Rates	Boys Regional Youth Education Facility - fee increase from \$5.01 to \$10.46 per day.		-	3,344	3,344	-
Law & Justice	Probation	AAA	PRN	General	Institution Reimbursement Rates	Central Juvenile Hall - fee increase from \$5.73 to \$11.10 per day.		-	51,975	51,975	-
Law & Justice	Probation	AAA	PRN	General	Institution Reimbursement Rates	Add fee of \$15.31 per day that is applicable for Camp Heart Bar Treatment Facility		-	13,779	13,779	-
Law & Justice	Probation	AAA	PRB	General	Adult Investigation Fee	Adjust for actual costs. Received based on ability to pay in court. Fee is increasing from \$467 to \$505.		-	10,005	10,005	-

FEE SUMMARY

Group	Department	Fund	Dept	Fund Name	Fee Request	Brief Description of Fee Request	Service Impacts	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Law & Justice	PA/PG/Cons / Coroner	AAA	PAC	General	Private autopsy fee	Increase fee for conducting private autopsies from \$2,000 to \$3,000 and reduce the annual quantity currently budgeted from 24 to 20. Actual cost of these autopsies has risen to \$3,000.	Failure to increase reimbursement of cost results in use of additional local cost that could be used to cover salaries and benefits for other mandated operations.		12,000	12,000	-
Law & Justice	PA/PG/Cons / Coroner	AAA	PAC	General	Protective wear fee	Add fee of \$6 for protective wear for students, etc. that observe or train on medical examiner procedures in the morgue.	If this fee is not established, providing these services will continue to divert local cost that could be used to fund other needs.		-	3,600	(3,600)
Econ Dev / Public Services	County Library	SAP	CLB	County Library	Computer Printing Charge	Current fee structure charges \$0.10/page for printing, with the first 25 pages being free. The Department proposes to maintain the same \$0.10/page fee, but would allow only the first 5 pages to be printed free.	It's estimated that this change would produce an additional \$93,400 in revenue each year for County Library. This revenue is needed to offset the Library's cost of paper, cartridges, and printer replacement.	-	93,400	93,400	-
Econ Dev / Public Services	County Museum	AAA	CCM	General	Professional services hourly rate	County Museum requests approval to increase the hourly rate for services performed by its professional, curatorial, and supervisory personnel from \$68 to \$72 per hour. This increase is warranted based on the results of a rate study completed by the Auditor/Controller's Office.	The Department would use the additional \$10,000 of revenue generated in 2004/05 to fund a 0.5 Exhibit Technician to assist with current collection-based exhibits. The financial impact of this increase for the upcoming year is minimal because most of the research work anticipated for 2004/05 would be charged at the current rate in accordance with existing Board-approved contracts. The real financial benefit to the Department from this action would occur in the following fiscal year.	0.5	10,000	10,000	-
Econ Dev / Public Services	Land Use Services Department-Current Planning	AAA	CUR	General	Land Use Development-Average Cost Fees	The current average cost fees for this division are based on the average time to perform the functions required based on average hourly rates by position. Based on the differences in projects submitted and a review of the average time it takes to process these requests, some average cost fee items require increases to keep pace with time requirements and to ensure there is no impact to Local Cost.	Service Impacts may occur if revenue does not keep pace with expenditures and further cuts are required due to the State budget impacts. The only way to cut costs in this budget unit will be through a reduction in staff, which will have a direct impact on how quickly services are provided.			60,785	(60,785)
Econ Dev / Public Services	Land Use Services Department-Current Planning	AAA	CUR	General	Land Use Development-Actual Cost Fees	Based on the differences in projects submitted, the complexity of those projects, and a review of the average time it takes to process these requests, it is requested that these fees be changed to <u>actual cost</u> fees to more accurately reflect the appropriate charge by project and to ensure there is no impact to Local Cost.	Service Impacts may occur if revenue does not keep pace with expenditures and further cuts are required due to the State budget impacts. The only way to cut costs in this budget unit will be through a reduction in staff, which will have a direct impact on how quickly services are provided.			101,534	(101,534)
Econ Dev / Public Services	Land Use Services Department-Current Planning	AAA	CUR	General	Application Fees	This includes adjustments to average cost fees based on increased salary & benefit costs and the clarification between extensions for average and actual cost projects.	Service Impacts may occur if revenue does not keep pace with expenditures and further cuts are required due to the State budget impacts. The only way to cut costs in this budget unit will be through a reduction in staff, which will have a direct impact on how quickly services are provided.			6,545	(6,545)
Econ Dev / Public Services	Land Use Services Department-Current Planning	AAA	CUR	General	Increase Staffing and eliminate all of Current Planning's local cost	Addition of 1.0 Planner III (\$86,581) to help with the increase in workload in Current Planning. In addition if all fees are approved this will eliminate all of Current Planning's local cost of \$82,283.	Service Impacts may occur if revenue does not keep pace with expenditures and further cuts are required due to the State budget impacts. The only way to cut costs in this budget unit will be through a reduction in staff, which will have a direct impact on how quickly services are provided. The additional staff provided through this increase will allow for improved customer service.	1.0	86,581		86,581
Econ Dev / Public Services	Land Use Services Department-Code Enforcement	AAA	CEN	General	Hourly Rate Fees	The current hourly fee no longer reflects an appropriate charge rate based on increased salary & benefits and services & supplies over the last several years.	Service Impacts may occur if further cuts are required due to the State budget impacts. The only way to cut costs in this budget unit is through a reduction in staff, which will have a direct impact on how quickly services are provided.		1,690	1,690	-
Econ Dev / Public Services	Land Use Services Department-Code Enforcement	AAA	CEN	General	Appeal Fees	This change will bring the Code Enforcement appeal rate to the same level as appeals related to actions by the rest of the Land Use Services Department and the Department of Public Works-Land Management and Surveyor sections. The same work effort is required of staff to prepare the appropriate staff reports and provide the necessary documentation to the Planning Commission and the Board of Supervisors as appeals from the other departments.	Due staff time involved in processing appeals Code Enforcement is unable to recover their costs and therefore this could have an impact on local cost.		6,000	6,000	-

FEE SUMMARY

Group	Department	Fund	Dept	Fund Name	Fee Request	Brief Description of Fee Request	Service Impacts	Budgeted Staffing	Approp	Departmental Revenue	Local Cost
Econ Dev / Public Services	Land Use Services Department-Fire Hazard Abatement	AAA	WAB	General	Abatement processing fees	The included fee changes clarify for the property owner the fees that will be assessed and includes inspections, notifications to property owners, and the removal of hazards by contract service providers. The most significant change allows for the third inspection of a property to be billed to the property owner if they fail to comply by the deadline and a contractor finds the property in compliance after the workorder has been processed. By increasing fee revenue the Fire Hazard Abatement program should reduce the impact on local cost that has occurred for the past several years, due to increases in expenses without offsetting fee increases. By purchasing the GPS equipment and software the Fire Hazard Abatement program should be more efficient and able to increase the areas monitored, and increase the accuracy of identifying non-compliant properties. This should increase revenue to cover the cost of the equipment and software within a couple of years.	Service Impacts may occur if further cuts are required due to the State budget impacts. The only way to cut costs in this budget unit is through a reduction in staff, which will have a direct impact on how quickly services are provided. These fee adjustments may encourage non compliant property owners to meet Fire Hazard Abatement Regulations, which will provide a safer environment from fires.		134,900	134,900	-
Econ Dev / Public Services	Public Works - Regional Parks	AAA	CCP	General	Language change regarding length of stay for Recreation Vehicles (RV) at Prado Regional Park	Current County code allows park visitors to use the RV sites at Prado for up to a maximum of five months during a six month period. The Department is requesting that the length of stay be modified to a maximum of one month separated by a minimum of two weeks when the camper unit is removed from the Park. The actual fee amount is not changing and will remain at \$400 per month.	Approval of this request will have no financial impact on the Department and very minimal affect on services to the public.	-	-	-	-
Econ Dev / Public Services	Public Works - Surveyor	AAA	SVR	General	Language change to add classification of County Surveyor and electronic copies of maps	This request is to add language to the fee ordinance allowing the public an option to receive electronic copies of maps, as well as adding the classification of County Surveyor consistent with Board action on March 23, 2004.	None	-	-	-	-
Econ Dev / Public Services	Public Works - Solid Waste Management Division (SWMD)	EAA	SWM	SWMD - Operations	Ordinary Refuse Fee	The Department is recommending an increase in the Ordinary Refuse Fee from \$34.56/ton to \$35.56/ton. The Waste Delivery Agreements (WDA) require an annual cost-of-living adjustment be made to the WDA Refuse fee. When this fee was implemented, a \$4.50 per ton spread was established between the WDA refuse fee and the Ordinary refuse fee. Each year, the County maintains the original \$4.50/ton parity between these two fees by adjusting the Ordinary Refuse fee as necessary.	If this fee increase is approved, additional revenue of \$588,800 would be generated in 2004/05. SWMD proposes to set this revenue aside to fund any potential costs resulting from the continuing perchlorate investigation at the Mid-Valley landfill.	-	588,800	588,800	-
Econ Dev / Public Services	Public Works - Solid Waste Management Division (SWMD)	EAA	SWM	SWMD - Operations	Hard to Handle, Special Handling, Non-compacted, and Compacted Refuse Fees	These fee increases are "inflationary" in nature and are being recommended to preserve a link with the above Ordinary Refuse Fee.	No service impacts and the financial impact is nominal.	-	100	100	-
Econ Dev / Public Services	Public Works - Solid Waste Management Division (SWMD)	EAA	SWM	SWMD - Operations	Uncovered/Unsecured Loads	This new fee will give the County a method of encouraging public compliance with state and local laws prohibiting transportation of waste in an uncovered or unsecured manner and provide additional funds to finance litter cleanup activities.	Without this new fee, the County will continue to experience excessive waste spillage from uncovered and unsecured loads, and will have to fund the related cleanup costs from existing SWMD operating funds.	-	210,483	210,483	-
Econ Dev / Public Services	Public Works - Solid Waste Management Division (SWMD)	EAA	SWM	SWMD - Operations	Uniform Handling Exemption Application Fee	This new fee is being recommended to provide funds for the cost of determining if certain customers who self-haul their waste can be exempted from mandatory trash pickup. This program is optional to the customers.	Without this new fee, existing SWMD operational revenues would be used to fund this program's cost.	-	60,000	60,000	-
Econ Dev / Public Services	Registrar of Voters	AAA	ROV	General	Elections	ROV is requesting 42 fee adjustments primarily related to the implementation of the new electronic voting system installed in FY 03/04. Fee adjustments were also based on increased labor and overhead costs, and obsolescence.	Fee adjustments require updating due to technological and program changes made by the department. Approval of the recommended fee adjustments enables the department to maintain a fee structure that reflects current cost factors.	1.7	88,744	88,744	-
TOTAL								16.0	2,476,188	2,812,750	(336,562)

APPROPRIATIONS SUMMARY

The 2004-05 proposed budget includes appropriations of \$2,718,649,483, an increase of \$103,200,235 or 3.95% over a restated 2003-04 final budget. The schedule below does not include operating transfers.

	Restated* Final 2003-04	Proposed 2004-05	Change	Percentage Change
Countywide Operations				
Admin/Exec Group	371,872,791	364,612,904	(7,259,887)	(1.95%)
Contingencies	70,572,366	76,458,010	5,885,644	8.34%
Financial Administration	6,000,000	6,000,000	0	0.00%
Debt Service	16,066,040	19,026,370	2,960,330	18.43%
ED/Public Services Group	43,638,543	45,027,742	1,389,199	3.18%
Fiscal Group	38,240,919	43,048,487	4,807,568	12.57%
Human Services System	780,704,671	805,513,063	24,808,392	3.18%
Internal Services Group	32,300,857	32,136,141	(164,716)	(0.51%)
Law & Justice Group	449,670,081	471,287,632	21,617,551	4.81%
Total General Fund	1,809,066,268	1,863,110,349	54,044,081	2.99%
Capital Project Funds	62,932,855	54,843,880	(8,088,975)	(12.85%)
Special Revenue Funds	358,247,322	361,004,523	2,757,201	0.77%
Subtotal	2,230,246,445	2,278,958,752	48,712,307	2.18%
Enterprise Funds				
Arrowhead Regional Medical Ctr	255,631,781	288,602,601	32,970,820	12.90%
Medical Center Lease Payment	53,158,112	53,385,776	227,664	0.43%
County Museum Store	132,448	151,541	19,093	14.42%
Regional Parks Snackbars	71,129	67,603	(3,526)	(4.96%)
Regional Parks Camp Bluff Lake	0	292,594	292,594	- - -
Solid Waste Management	76,209,333	97,190,616	20,981,283	27.53%
Subtotal	385,202,803	439,690,731	54,487,928	14.15%
Total Countywide Funds	2,615,449,248	2,718,649,483	103,200,235	3.95%

*The restatement of 2003-04 appropriations is the result of previously including \$22,190,172 in special aviation funds in the capital project funds line versus in the special revenue funds line. These funds, while capital projects, are technically accounted for as special revenue funds and should be reported with all the other special revenue funds of the county. In addition, during the 2003-04, the Board of Supervisor's approved the reorganization of the health related departments to report to the County Administrative Office versus Human Services System (HSS). This restatement moved \$330,062,404 in appropriations from HSS to Admin/Exec Group to provide comparison between the 2003-04 budget year with the proposed 2004-05 budget year. Total countywide funds remains unchanged.

Countywide Operations

Countywide operations show an increase in appropriations of \$54,044,081. The most significant increases are in the Human Services System and the Law and Justice Groups. The most significant decrease is in the Admin/Exec Group. Each group is discussed below.

The Admin/Exec Group shows a net decrease of \$7.3 million. This decrease is due largely to a \$9.7 million decrease in the Behavioral Health budget unit. This reduction is based on the departments continued plan to better align spending with the receipt of ongoing realignment funds. There was also a \$2.8 million decrease in Human Resources Department that experienced a decrease in appropriations due to the shifting of the benefits operations to the benefits administration special revenue fund.



The above significant decreases in the Admin/Exec Group were offset by a \$2.0 million increase in the California Children's Services for anticipated increases in caseload, \$1.9 million increase in the Public Health budget unit due to a mid-year increase in child health programs, \$1.3 million in the Unemployment Insurance budget unit due to anticipated increased costs, and \$1.0 million in increased appropriations were seen in the County Counsel budget unit due to a GASB 34 reclassification, which removed a reimbursement for services, now classifying it as a revenue source.

The appropriation for contingencies includes the amount set aside per county policy (1.5% of locally funded appropriations), which is \$5.6 million. The other component of contingencies consists of unallocated financing available to the Board for distribution.

Furthermore, Debt Service increased \$3.0 million due to a reduction in savings to be realized from the 2002 refinancing of the West Valley Detention Center (from \$4.4 million in 2003-04 to \$2.0 million in 2004-05) and the loss of reimbursement from Airports (\$0.9 million). These increases are offset by decreased costs resulting from the 2003 refinancing of the Glen Helen Pavilion, and other minor changes in debt service schedules and costs.

The Economic Development/Public Service Group shows a net increase mainly attributed to increases in the Building and Safety budget unit due to significant workload increases due to the improving economy, the continued low interest rates, and the recent fire. The most significant decrease anticipated is reflected in the Registrar of Voters budget unit, as the result of only one major election in the 2004-05 budget year versus two major elections in the 2003-04 budget year.

Within the Fiscal Group, all budget units are expected to experience an increase. The most significant increase is reflected in the budget unit of the Auditor/Controller-Recorder, which increased \$2.2 million. This increase was due in part to a mid-year adjustment for staffing in the Recorder's section as a result of increased recordings due to the higher volume of property sales and refinancing activity. The Treasurer-Tax Collector, formerly reported as two separate budget units, consolidated all operations into one budget unit. Appropriations for this consolidated unit increased \$1.8 million due to additional staff needed for both anticipated increases in collections as well as service to taxpayers.

The Human Services System increased a net of \$24.8 million. The significant increases in the group consist of \$26.4 million in appropriations in Human Services System Administration mainly due to a mid-year adjustment, which increased the following programs, Medi-Cal, Food Stamps, and Children Services programs. Included in the \$26.4 million increase in HSS Administration is increased costs for IHSS provider payments (\$3.2 million) due to caseload increases. Additionally, a \$8.0 million increase is expected in Aid to Adoptive Children due to increased workload and increased grant costs, a \$3.2 million increase in Foster Care due to increases in costs per case, a \$1.6 million increase in Child Support Services due mainly to an increase in appropriations to pay for the federal automation penalty imposed by the state on the county; and a \$1.2 million increase in KinGap for caseload increases.

Noteworthy decreases that offset these increases include \$11.5 million in Entitlement payments (Childcare) and \$3.8 million in CalWORKS-Aid to families.



The Internal Services group shows a slight decrease from the previous budget year. While most of the budget units within this group experienced decreases due to impacts of the state budget reductions, the utilities budget received no state budget reduction. Furthermore, the rents budget unit was required to reclassify revenues to reimbursements per GASB 34, which also resulted in reduced appropriations.

The Law and Justice group increase is mainly in the Sheriff and District Attorney budget units. The increase costs to these budget units are the direct result of increased safety MOU/retirement, specifically the retirement benefit known as 3% at 50 and also due to their state budget impact of 4% versus all other departments receiving a 9% reduction. In addition, the Trial Court Funding Maintenance of Effort budget unit increased due to increased payments to the state based on a new state mandated payment, as well as an increase in collections, which are shared equally with the state.

Capital Project Funds

Capital Project Funds appropriations decreased \$8,088,975 from the prior year restated amount.

Capital Improvement Projects appropriations decreased primarily due to progress made on the High Desert Detention Center. The appropriations for this project decreased \$10.4 million from the prior year. Of the \$54.8 million total appropriations for all capital projects for 2004-05, \$5.3 million budgeted for new projects and \$49.5 million is budgeted as carry over projects, which includes \$4.2 million remaining in retention for the High Desert Detention Center.

Special Revenue Funds

Special Revenue funds increased \$2,757,201 overall.

Significant increases in specific funds include: \$5.4 million in the special aviation funds, which is the result of \$2.0 million for the Chino Airport Runway 3-21, \$1.6 million for the resurfacing of a runway at Needles Airport, and the majority remaining \$1.8 million increase is budgeted in the airports reserve fund for future projects; \$5.6 million in transportation, of which \$3.4 million is for the purchase of additional fixed assets to replace aging vehicles and equipment and \$2.2 million increase to cover retirement and MOU increases and fund additional staff for the Bark Beetle Infestation and Tree Morality Emergency project; \$4.7 million in Regional Parks' Prop 40 fund for land acquisition for the new Colton regional park and the movement of project funds from the county trail system budget unit; and \$0.9 million in Regional Parks' Prop 12 fund for new projects schedule for 2004-05.

Additionally, there was an increase of \$2.2 million occurred in the micrographic systems budget unit due mainly to increased revenues received from the increase in recording transactions, a \$1.3 million increase in preschool services due in part to a contract with the Children and Families Commission (First 5) for school readiness and additional state and federal aid; a \$4.3 million increase in human resources benefits administration fund is due to the transfer of appropriations from the general fund to a special revenue fund.



Furthermore, appropriation increases of \$4.5 million are due to an accounting change, which now includes certain special revenue funds that were previously used for financing only, that now are budgeted as contingencies.

Significant decreased appropriations in special revenue funds include \$7.0 million in the county trail system, of which \$2.9 million represents the completion of Phase II of the Santa Ana River Trail and the remaining funds were transferred into the Regional Parks' Prop 40 budget unit. Special transportation projects decreased \$1.1 million due to the completion of Phase II of the Etiwanda Interchange Improvement project. In the economic and community development consolidated fund, decreases totaled \$8.5 million, due to reduced funding in the following programs: neighborhood housing initiative, community block grants, the Home program, and Section 108 projects. Jobs and employment services budget unit decreased \$1.6 million in assessment, outreach, and training appropriations due in part to a decrease in Welfare to Work funding. Furthermore, tobacco tax appropriation decreased \$2.5 million due to a decrease in the allocation of funding from the state.

Lastly, there was a decrease of \$6.0 million for special aviation projects as there are several funds related to the Apple Valley Airport (County Service Area 60), which are now reported in the Board Governed Districts budget.

Enterprise Funds

The increase in Arrowhead Regional Medical Center reflects increased salary and benefit costs, and services and supplies costs related to compliance with new nurse-to-patient ratios, a 7.49% increase in inpatient days, 32.15% increase in emergency room visits, and 10.65% increase in outpatient visits.

Medical Center Lease Payments increased slightly, reflecting the increases in net lease payments and trustee/administrative fees.

A new enterprise fund was established to record the activity associated with Regional Parks, Camp Bluff Lake. This is a 120-acre camp located in the San Bernardino Mountains near the City of Big Bear Lake. The county has an agreement with the Wildlands Conservancy for use of the facility, which will provide children with recreational opportunities and the ability to increase their appreciation of nature.

Solid Waste Management appropriations have been increased by \$20.9 million as a result of increased Bark Beetle costs of \$6.0 million, operational costs of \$3.2 million, costs related to the final closure of the Milliken, Apple Valley, and Hesperia landfills, expansion of the Mid Valley Landfill Unit 3 cell, and expansion of groundwater and landfill gas monitoring wells including continued perchlorate investigations of \$11.7 million that is offset by expansion bond and financial assurance restricted reserves.



REVENUE SUMMARY

The 2004-05 county budget is financed from a variety of sources, which are listed below. This schedule does not include operating transfers.

	Final 2003-04	Proposed 2004-05	Change	Percentage Change
REVENUES FOR ALL COUNTY FUNDS				
(Excluding Enterprise Funds)				
Property Taxes	136,148,669	147,009,439	10,860,770	7.98%
Other Taxes	141,340,847	164,005,080	22,664,233	16.04%
State and Federal Aid	1,342,417,579	1,354,840,077	12,422,498	0.93%
Charges for Current Services	317,349,319	334,333,702	16,984,383	5.35%
Other Revenue	108,559,481	108,695,277	135,796	0.13%
Subtotal	2,045,815,895	2,108,883,575	63,067,680	3.08%
ENTERPRISE FUNDS				
Arrowhead Regional Medical Ctr	263,031,781	297,970,101	34,938,320	13.28%
Medical Center Lease Payment	24,484,009	24,536,303	52,294	0.21%
County Museum Store	148,400	169,650	21,250	14.32%
Regional Parks Snackbars	76,600	76,000	(600)	(0.78%)
Regional Parks Camp Bluff Lake	0	328,650	328,650	- - -
Solid Waste Management	49,151,850	60,361,099	11,209,249	22.81%
Subtotal	336,892,640	383,441,803	46,549,163	13.82%
Total County Budget	2,382,708,535	2,492,325,378	109,616,843	4.60%

Property Taxes

Property Tax revenue is increased based on an estimated increase in secured assessed valuation of 10.4%, and an increase in supplemental property tax revenues of 8%. Unsecured assessed valuation is estimated to grow 8.0%. Unitary property tax revenues are expected to remain flat.

Other Taxes

Other taxes are increased due to an anticipated increase in Prop 172 sales tax. The 2004-05 budget also estimates a 4.8% increase in sales tax from 2003-04 projected actuals for sales tax generated in the unincorporated area of the county. Property Transfer Tax and Supplemental Property Tax are increased to reflect rising home prices and sales volume activity.



State and Federal Aid

An overall increase in revenues is reflected in the revenue category of state and federal aid. This increase is comprised of both increases and decreases in various programs.

Significant increases include \$3.4 million in motor vehicle in lieu and \$1.6 million in vehicle license fees both based on a 4.8% budgeted growth rate based on projections from local economists.

Additionally increases in the Human Services System revenue base included: \$1.1 million in foster care due to higher placement costs; aid to adoptive children increased \$3.7 million in state aid and \$3.1 million in federal aid for children due to higher caseloads and cost per case; \$7.3 million in state health admin, \$7.3 million in federal health admin, and \$10.3 million in federal welfare admin increased due to increased funding in food stamps, MediCal, adoptions assistance and IHSS administration. These increases were offset by decreases in the following areas: \$3.7 million in CalWorks' aid payments due to lower caseloads; and \$8.7 million in state childcare payments and \$2.7 million in federal childcare payments to providers due to lower caseloads and rate decreases.

For Public Health and Behavioral Health, increases were seen in several areas: \$1.7 million in aid to crippled children due to increased caseloads, \$1.6 million in state grants, \$1.1 million for early, periodic, screening, diagnostic, and treatment, \$1.3 million for crisis residential treatment funded by the Federal Emergency Management Agency, and \$2.6 million in federal financial participation for MediCal.

Probation experienced a decrease of \$4.1 million in TANF, however, this was somewhat offset by an increase of \$1.7 million in Title IV-E revenues related to updated calculations for the costs of intake services at juvenile halls.

In addition to the above, there was a \$3.6 million decrease in jobs and employment services from the 2003-04 year due to the Welfare to Work program reaching its sunset, as well as the loss of some one-time funding that had been received for training; a \$1.6 million decrease in tobacco tax allocations from the state; and a decrease of \$2.9 million in Regional Parks due to the completion of Phase II of the Santa Ana River Trail.

Funding related to state and federal capital grants has increased overall. Grants for transportation projects increased \$12.5 million. These grants included \$14.6 million in funds to finance the Fort Irwin road improvement project and the Amboy road overlay offset with a reduction of \$2.1 million in grant revenues, which financed the Etiwanda Interchange Improvement project. The grants for the High Desert Juvenile Detention and Assessment facility were reduced \$8.5 million as the grant funds have been expended.



Charges for Current Services

Charges for current services are expected to increase overall from 2003-04 budget year. The most significant increases in departmental business activity consist of the Sheriff's \$10.8 million increase in city contracts coupled with a \$700,000 increase in training revenue from other law enforcement agencies, the Auditor/Controller-Recorder's \$2.5 million and Treasurer's \$1.0 million increases in recording fees due to the higher volume of property sales and refinancing activity.

Other noteworthy increases in current services are seen in collection fees, sanitation fees, and increases in other services pertaining to the reimbursement from other agencies for the cost of property tax administration and the costs associated with the National Trails Highway and the Mission Boulevard rehabilitation projects. In addition, legal fees were reclassified to revenue from reimbursements based on GASB 34 criteria.

Decreases of significance in current services include \$1.4 million in child support collection fees retained by the county based on a state proposal to retain the funding at the state level, a \$1.2 million decrease in the indirect cost reimbursement (COWCAP) from county departments, \$1.0 million in election services due to only one major election in 2004-05 versus the two elections experienced in 2003-04, and a \$725,000 decrease in information services' direct labor as a result of departments utilizing outside vendor systems and the corresponding support of those systems.

Other Revenue

Other revenue includes licenses, permits, franchises, fines and penalties, interest earnings, and tobacco settlement funds. This category of revenue increased slightly, however, major changes are mentioned below.

Significant increases include \$1.7 million in building and safety construction permits based on major increases in workload due to the improving economy, the continued low interest rates, and the recent fires; \$1.2 million in interest revenues projected to be received in the county pool; \$1.2 million increase in funds pledged from the Wildland Conservancy to assist with the costs related to the proposed new Colton Regional Park.

Other increases include \$860,000 in tobacco settlement funds based on revised state schedules, \$850,000 in loan payoffs of home program assets; and \$542,000 in a new grant moneys from the Institute of Museum and Library Services to finance the development of the Inland Empire Archival Heritage Center and Web Module.

Noteworthy decreases in this category of revenue include a \$6.0 million decrease in the Neighborhood Initiative program. This program purchases HUD homes for rehabilitation and then re-sales the property. Decreases are the result of a low inventory of homes available for rehab and resale. Additionally, there was a \$2.0 million reduction because the Robert Wood Johnson grant to Transition Assistance has ended.



Enterprise Funds

Arrowhead Regional Medical Center revenues are expected to grow due to volume increases in inpatient days; emergency room visits; outpatient visits; and from anticipated fee increases. This growth is reflected in insurance, private pay, Medi-Cal, and Medicare revenues.

Anticipated slight increase in revenue for the medical center lease payment fund represents state payments from the Construction Renovation/Reimbursement Program (SB 1732).

A new enterprise fund was established to record the revenues related to activities associated with Regional Parks, Camp Bluff Lake. Revenue sources include fees for summer/weekend camping programs and adult retreats.

Solid Waste Management revenues increased a net of \$11.2 million as a result of increased Bark Beetle revenue of \$8.1 million, additional Article 19 revenues of \$1.6 million, contractual fee increases and increases in tonnage of \$1.5 million.

BUDGETED STAFFING SUMMARY

Change from Previous Year

	<u>2003-04 Staffing</u>	<u>Caseload Driven/ Grant or Special Funded Programs</u>	<u>All Other Programs</u>	<u>Total Change</u>	<u>2004-05 Staffing</u>	<u>Percentage Change</u>
General Fund	12,268.7	(218.7)	(114.1)	(332.8)	11,935.9	(2.7%)
Other Funds	<u>4,256.3</u>	<u>181.7</u>	<u>0.0</u>	<u>181.7</u>	<u>4,438.0</u>	4.3%
Total	16,525.0	(37.0)	(114.1)	(151.1)	16,373.9	

Significant changes from the previous year in caseload driven, grant or special funded programs include the following:

General Fund

- **Behavioral Health** budgeted staffing is decreased by 120.3 positions as part of the Department's continued plans to reduce use of one-time Realignment funding. The **Alcohol and Drug** budget unit of Behavioral Health decreased by 17.4 positions to stay within the budget allocation and to accommodate increases in contracted services for a Perinatal Pilot Project.
- **Public Health** budgeted staffing is decreased by a net 67.3 positions. Increases totaling 14.7 budgeted staff are offset by program staffing reductions of 82.0 positions as a result of salary and benefits costs increasing at a faster pace than revenues. The budgeted staffing in **California Children's Services**, a budget unit of Public Health, is increased by 4.6 positions due to the opening of the new office on June 2004.
- **Land Use Services – Building and Safety** budgeted staffing is increased by 16.0 positions. On January 13, 2004, the Board of Supervisors approved 15.0 positions due to the significant increase in workload related to the improving economy, continued low interest rates, and the recent fires. Included in the proposed 2004-05 budget is the addition of 1.0 Regional Building Supervisor position to supervise the larger plan review staff that was added mid-year.
- **Human Services System (HSS) Administrative Claim** budgeted staffing is increased by 154.0 positions. Additions include 123.0 positions that were added and approved by the Board in the December 2, 2003 Midyear Budget Adjustment to help meet new requirements of the Medi-Cal and Food Stamp programs. An additional 31.0 positions are being requested in 2004-05. Of these, 25.0 Public Service Employee (PSE) positions are requested to act as full-time interpreters in Transitional Assistance Department offices, 2.0 PSE positions are requested by Department of Children Services (DCS) to provide Parent Relations Program services, 1.0 Supervising Public Health Nurse is requested to direct health related services to Department of Aging and Adult Services' clients and 3.0 positions are requested to correct dual-fill situations in DCS funded County Counsel positions.



- **Child Support Services** budgeted staffing decreased by 58.6 positions, due to MOU and other staffing related increases, while budget allocations are remaining stagnant.
- **District Attorney – Criminal** decreased 6.0 budgeted positions due to the loss of grant funding from the following grant programs: Passages, Major Narcotics Vertical Prosecution (MNVP), Statutory Rape Vertical Prosecution (SRVP), and Elder Abuse Vertical Prosecution.
- **Probation Administration and Community Corrections** had net decrease of 34.6 positions, of which increases in this budget unit included 10.0 positions as a result of increase in Title IV-E funding and 7.0 positions that were transferred from Detention Corrections. Decreases included 21.6 positions related to various grants, 14.0 positions deleted in adult case management, 3.0 positions deleted to cover the workers' comp surcharges, 4.0 positions deleted in training and recruitment, 3.0 adult on-site positions were deleted, and 6.0 probation officers were deleted.
- **Probation Detention Corrections** decreased by net 14.2 positions, of which 19.0 positions were deleted in the Regional Youth Education Facility program, 10.0 positions deleted at West Valley Juvenile Hall since they will not be needed after the completion of an approved capital improvement project, 7.0 training and aftercare positions were transferred into the Probation Administration and Community Corrections budget unit, and additions include 13.0 Board approved positions for the High Desert Juvenile Assessment and Detention Center and 8.8 for recurrent positions and overtime for case management.
- **Probation Pre-Trial Detention** decreased 7.0 positions due to the Board approved move of this function to the Sheriff's Department.
- **Probation AB 1913** decreased 72.0 positions. Of the 72.0 positions decrease in the general fund, 59.0 positions were moved into the special revenue fund established for the AB 1913 Grant and 13.0 positions were eliminated due to a reduction in grant funding.
- **Sheriff** increased 20.0 budgeted positions, of which 13.0 were the result of board approved positions for contract cities and grants, and 7.0 was the result of the transfer from Probation's pretrial detention.

Other Funds

- **Human Resources - Benefits Administration** budget unit is a special revenue fund under the Human Resources Department (HRD). Budgeted staffing increased by 33.0 due to the transfer of 31.0 positions from HRD and the addition of 2.0 positions, which were approved by the Board of Supervisors on December 16, 2003.
- **Arrowhead Regional Medical Center** budgeted staffing increased by 132.4 positions due to volume increases; compliance in nursing staffing ratio in patient services; additional services such as renal dialysis, hyperbaric therapy, and echo cardiology services; and increased security measures for patient's safety.
- **County Library's** budgeted staffing decreased by 37.6 budgeted positions due to the proposed ERAF shift that will reduce the department's annual property tax revenues by \$1.2 million. This reduction in staff will necessitate a decrease of eight (8) hours per week of public service hours at all county branch libraries.
- **Preschool Services Department** budgeted staffing is decreased by 39.9 positions due to MOU and other staffing related increases, while budget allocations are remaining stagnant.



- **Probation – AB 1913 Grant** increased 59.0 positions as a result of the transfer of 72.0 positions from the general fund budget unit into this special revenue fund budget unit, coupled with a decrease of 13.0 positions due to reduced grant funding.
- **Sheriff's** budgeted staffing includes a reduction of 3.0 technical positions because the grant funding for these positions ends in 2003-04.

Significant changes from the previous year in all other programs include the following:

General Fund

- **Human Resources Department** budgeted staffing is decreased by 32.9 positions due to the transfer of 31.0 positions to the special revenue fund, Benefits Administration, and a reduction of 2.0 positions due to the 9% cost reduction plan, which are offset by the addition of 0.1 positions required to assist during upcoming negotiations with the various employee bargaining units.
- **Information Services'** budgeted staffing decreased by 18.7 positions. Of this decrease, 16.5 positions were in Applications Development of which 2.0 positions were a part of the 30% cost reduction plan, a decrease of 6.0 positions is due to the 9% cost reduction plan and a reduction of 8.5 positions due to workload decline and corresponding revenue reductions. Emerging Technology budget unit staffing has a reduction of 2.2 positions due to the 9% cost reduction plan.
- **Central Collections** budget unit was consolidated into the main Treasurer-Tax Collector department budget unit. In addition, there is an increase of 8.9 budgeted staffing positions needed for increased number of assigned collection accounts, to assist the taxpayers, and various other duties.
- **Facilities Management Department** budgeted staffing decreased a total of 11.5 positions. The division breakdown for positions deleted as a result of the state budget impact is as follows: Custodial Division 4.5 positions, Grounds 3.7 positions, and Maintenance 1.3 positions. Home Repair's 2.0 positions relate to federal funding from Economic and Community Development that did not increase from 2003-04. Since no additional funding was provided for MOU and building materials costs, this required deletion of the two positions.
- **District Attorney – Criminal** decreased an additional 6.0 budgeted positions due to the impacts of the state budget cuts.
- **Sheriff** decreased 35.5 budgeted positions due to the impacts of the state budget reduction on local funding and increased costs associated with salary and benefits.

Countywide staffing changes are outlined by county department in the following chart:



BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Proposed Budget	Change
ADMINISTRATIVE/EXECUTIVE GROUP			
<u>GENERAL FUND</u>			
BOARD OF SUPERVISORS	39.5	42.3	2.8
LEGISLATION	1.0	1.0	0.0
CLERK OF THE BOARD	14.0	12.0	(2.0)
COUNTY ADMINISTRATIVE OFFICE	26.0	24.0	(2.0)
COUNTY COUNSEL	65.7	60.0	(5.7)
HUMAN RESOURCES	116.5	83.6	(32.9)
HUMAN RESOURCES - EMPLOYEE HEALTH & WELLNESS	13.0	12.7	(0.3)
HEALTH CARE COSTS	4.0	4.0	0.0
BEHAVIORAL HEALTH	686.2	565.9	(120.3)
BEHAVIORAL HEALTH - ALCOHOL AND DRUG	91.5	74.1	(17.4)
PUBLIC HEALTH	921.3	854.0	(67.3)
PUBLIC HEALTH - CALIFORNIA CHILDREN'S SERVICES	145.0	149.6	4.6
INFORMATION SERVICES - APPLICATIONS DEVELOPMENT	93.8	77.3	(16.5)
INFORMATION SERVICES - EMERGING TECHNOLOGIES	15.2	13.0	(2.2)
SUBTOTAL GENERAL FUND	2,232.7	1,973.5	(259.2)
<u>OTHER FUNDS</u>			
HUMAN RESOURCES - BENEFITS ADMIN	0.0	33.0	33.0
HUMAN RESOURCES - COMMUTER SERVICES	3.5	2.5	(1.0)
HUMAN RESOURCES - RISK MANAGEMENT	65.0	65.3	0.3
ARROWHEAD REGIONAL MEDICAL CENTER	2,299.9	2,432.3	132.4
INFORMATION SERVICES - COMPUTER OPERATIONS	125.4	125.4	0.0
INFORMATION SERVICES - NETWORK SERVICES	93.0	93.0	0.0
SUBTOTAL OTHER FUNDS	2,586.8	2,751.5	164.7
TOTAL ADMINISTRATIVE/EXECUTIVE GROUP	4,819.5	4,725.0	(94.5)



BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Proposed Budget	Change
ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP			
<u>GENERAL FUND</u>			
ED/PUBLIC SERVICES GROUP	17.0	15.0	(2.0)
AGRICULTURE/WEIGHTS & MEASURES	64.5	63.5	(1.0)
AIRPORTS	28.9	27.0	(1.9)
COUNTY MUSEUM	52.5	51.2	(1.3)
ECD - ECONOMIC PROMOTION	2.0	2.0	0.0
ECD - SMALL BUSINESS DEVELOPMENT	4.0	3.0	(1.0)
LAND USE SERVICES - ADMINISTRATION	11.0	10.0	(1.0)
LAND USE SERVICES - CURRENT PLANNING	27.0	27.0	0.0
LAND USE SERVICES - ADVANCE PLANNING	19.0	19.0	0.0
LAND USE SERVICES - BUILDING AND SAFETY	62.2	78.2	16.0
LAND USE SERVICES - CODE ENFORCEMENT	30.0	29.0	(1.0)
LAND USE SERVICES - FIRE HAZARD ABATEMENT	21.0	21.0	0.0
PUBLIC WORKS - REGIONAL PARKS	117.1	117.1	0.0
PUBLIC WORKS - SURVEYOR	39.4	41.8	2.4
REGISTRAR OF VOTERS	42.9	36.5	(6.4)
SPECIAL DISTRICTS - FRANCHISE ADMINISTRATION	3.0	3.0	0.0
SUBTOTAL GENERAL FUND	541.5	544.3	2.8
<u>OTHER FUNDS</u>			
COUNTY LIBRARY	209.2	171.6	(37.6)
COUNTY MUSEUM STORE	2.1	2.2	0.1
ECONOMIC AND COMMUNITY DEVELOPMENT	61.0	58.0	(3.0)
JOBS AND EMPLOYMENT SERVICES	141.0	150.1	9.1
LAND USE SERVICES - HABITAT CONSERVATION	0.0	0.0	0.0
PUBLIC WORKS - COUNTY TRAIL SYSTEM	4.0	4.0	0.0
PUBLIC WORKS - CALICO GHOST TOWN MARKETING SVCS	1.0	1.0	0.0
PUBLIC WORKS - CAMP BLUFF LAKE	0.0	7.6	7.6
PUBLIC WORKS - REGIONAL PARKS SNACK BARS	1.3	1.3	0.0
PUBLIC WORKS - ROAD OPERATIONS CONSOLIDATED	357.7	368.0	10.3
PUBLIC WORKS - SOLID WASTE MANAGEMENT	74.4	84.8	10.4
SUBTOTAL OTHER FUNDS	851.7	848.6	(3.1)
TOTAL ECON DEVELOP/PUBLIC SERVICES GROUP	1,393.2	1,392.9	(0.3)



BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Proposed Budget	Change
FISCAL GROUP			
<u>GENERAL FUND</u>			
ASSESSOR	159.9	158.9	(1.0)
AUDITOR/CONTROLLER-RECORDER	181.6	191.6	10.0
TREASURER-TAX COLLECTOR	66.5	168.9	102.4
TREASURER-TAX COLLECTOR - CENTRAL COLLECTIONS	93.5	0.0	(93.5)
SUBTOTAL GENERAL FUND	501.5	519.4	17.9
<u>OTHER FUNDS</u>			
STATE/COUNTY PROPERTY TAX ADMINISTRATION	29.0	29.0	0.0
AUDITOR/CONTROLLER - MICROGRAPHICS	0.0	7.0	7.0
AUDITOR/CONTROLLER - RECORDS MANAGEMENT	2.0	1.0	(1.0)
SUBTOTAL OTHER FUNDS	31.0	37.0	6.0
TOTAL FISCAL GROUP	532.5	556.4	23.9
HUMAN SERVICES SYSTEM			
<u>GENERAL FUND</u>			
AGING AND ADULT SERVICES	101.1	101.9	0.8
CHILD SUPPORT SERVICES	565.0	506.4	(58.6)
HSS ADMINISTRATIVE CLAIM	3,422.7	3,576.7	154.0
VETERANS AFFAIRS	17.0	16.3	(0.7)
SUBTOTAL GENERAL FUND	4,105.8	4,201.3	95.5
<u>OTHER FUNDS</u>			
PRESCHOOL SERVICES	575.8	535.9	(39.9)
SUBTOTAL OTHER FUNDS	575.8	535.9	(39.9)
TOTAL HUMAN SERVICES SYSTEM	4,681.6	4,737.2	55.6
INTERNAL SERVICES GROUP			
<u>GENERAL FUND</u>			
ARCHITECTURE AND ENGINEERING	23.0	23.0	0.0
FACILITIES MANAGEMENT - ADMINISTRATION	4.0	4.0	0.0
FACILITIES MANAGEMENT - CUSTODIAL	47.5	43.0	(4.5)
FACILITIES MANAGEMENT - GROUNDS	23.7	20.0	(3.7)
FACILITIES MANAGEMENT - HOME REPAIR	12.0	10.0	(2.0)
FACILITIES MANAGEMENT - MAINTENANCE	56.0	54.7	(1.3)
PURCHASING	18.0	16.0	(2.0)
REAL ESTATE SERVICES	24.0	24.0	0.0
SUBTOTAL GENERAL FUND	208.2	194.7	(13.5)



BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Proposed Budget	Change
INTERNAL SERVICES GROUP (continued)			
<u>OTHER FUNDS</u>			
FLEET MANAGEMENT - GARAGE AND WAREHOUSE	94.0	97.0	3.0
FLEET MANAGEMENT - MOTOR POOL	4.0	4.0	0.0
PURCHASING - CENTRAL STORES	14.0	12.0	(2.0)
PURCHASING - MAIL AND COURIER SERVICES	34.0	33.0	(1.0)
PURCHASING - PRINTING AND MICROFILM SERVICES	17.0	16.0	(1.0)
SUBTOTAL OTHER FUNDS	163.0	162.0	(1.0)
TOTAL INTERNAL SERVICES GROUP	371.2	356.7	(14.5)
LAW AND JUSTICE GROUP			
<u>GENERAL FUND</u>			
COUNTY TRIAL COURTS - DRUG COURT PROGRAMS	0.0	0.0	0.0
COUNTY TRIAL COURTS - GRAND JURY	0.0	0.0	0.0
COUNTY TRIAL COURTS - INDIGENT DEFENSE	0.0	0.0	0.0
DISTRICT ATTORNEY - CRIMINAL	397.0	385.0	(12.0)
DISTRICT ATTORNEY - CHILD ABDUCTION	7.0	6.5	(0.5)
LAW AND JUSTICE GROUP ADMINISTRATION	1.0	0.9	(0.1)
PROBATION - ADMINISTRATION/COMM CORRECTIONS	458.6	424.0	(34.6)
PROBATION - DETENTION CORRECTIONS	613.0	598.8	(14.2)
PROBATION - PRE-TRIAL DETENTION	7.0	0.0	(7.0)
PROBATION - AB1913 GRANT	72.0	0.0	(72.0)
PUBLIC ADMIN/GUARDIAN/CONSERV/CORONER	76.1	65.6	(10.5)
PUBLIC DEFENDER	180.3	170.4	(9.9)
SHERIFF	2,867.0	2,851.5	(15.5)
SUBTOTAL GENERAL FUND	4,679.0	4,502.7	(176.3)
<u>OTHER FUNDS</u>			
DISTRICT ATTORNEY - SPECIAL REVENUE	33.0	32.0	(1.0)
PROBATION - AB1913 GRANT (SR)	0.0	59.0	59.0
SHERIFF - SPECIAL REVENUE	15.0	12.0	(3.0)
SUBTOTAL OTHER FUNDS	48.0	103.0	55.0
TOTAL LAW AND JUSTICE GROUP	4,727.0	4,605.7	(121.3)
TOTAL COUNTY DEPARTMENTS - GENERAL FUND	12,268.7	11,935.9	(332.8)
TOTAL COUNTY DEPARTMENTS - OTHER FUNDS	4,256.3	4,438.0	181.7
GRAND TOTAL COUNTY DEPARTMENTS	16,525.0	16,373.9	(151.1)



RESERVES ANALYSIS

The county has a number of reserves and designations that have been established over the years for a variety of purposes. On January 6, 1998, the Board of Supervisors adopted a county policy to provide guidelines and goals for reserve levels. That policy calls for the county's general purpose reserves to equal 10% of locally funded appropriations. It also anticipates establishing special purpose reserves to help meet future needs.

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Total General Purpose Reserve	27.4	27.4	30.2	31.9	34.8	37.2
Specific Purpose Reserves						
Medical Center debt service	34.3	32.0	32.0	32.1	32.1	32.1
Justice facilities reserve	11.7	5.2	5.0	4.9	3.9	2.7
Juvenile maximum security reserve	1.2	1.5	1.5	1.5	1.5	1.5
Future retirement rate increase reserve	1.5	1.5	1.5	7.0	7.0	7.0
Equity Pool				1.9	4.7	4.3
Teeter			19.3	19.3	19.3	19.3
Restitution			8.9	2.1	2.1	2.1
Insurance				5.0	5.0	5.0
Electronic Voting System				5.7	5.7	0.0
Capital Projects Reserve				4.0	4.0	4.0
Bark Beetle					2.0	1.8
Museum's Hall of Paleontology					1.0	0.9
Total Specific Purpose Reserves	48.7	40.2	68.2	83.5	88.3	80.7
Total Reserves	76.1	67.6	98.4	115.4	123.1	117.9

The County has several reserves. Some are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects. The general reserves are funds held to protect the County from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the County.

For 2003-04 mid-year Board actions authorized the use of:

- The \$5.7 million Electronic Voting System reserve to pay the local share of the cost of the new electronic voting system. The State mandated that the county change from a punch card to electronic voting system by January of 2004.
- \$169,700 of the Bark Beetle Reserve to provide a reverse 9-1-1 warning system service that could be used to warn or advise affected County residents of the potential for fire, flood, or other emergency circumstances in the County. This amount is the estimated first year cost of the service.



- \$178,971 of the Justice Facilities reserve to remodel the Big Bear County building. This project will create jury assembly and deliberation rooms; provide additional space for the District Attorney, Public Defender, and Probation departments to meet five to ten year projected growth; create a Sheriff's men's locker room; relocate Sheriff's Court Services; and to bring the building into compliance with the Americans with Disabilities Act (ADA).
- \$135,000 of the Museum Hall of Paleontology reserve was appropriated to assist with the facility's construction and exhibit design costs.

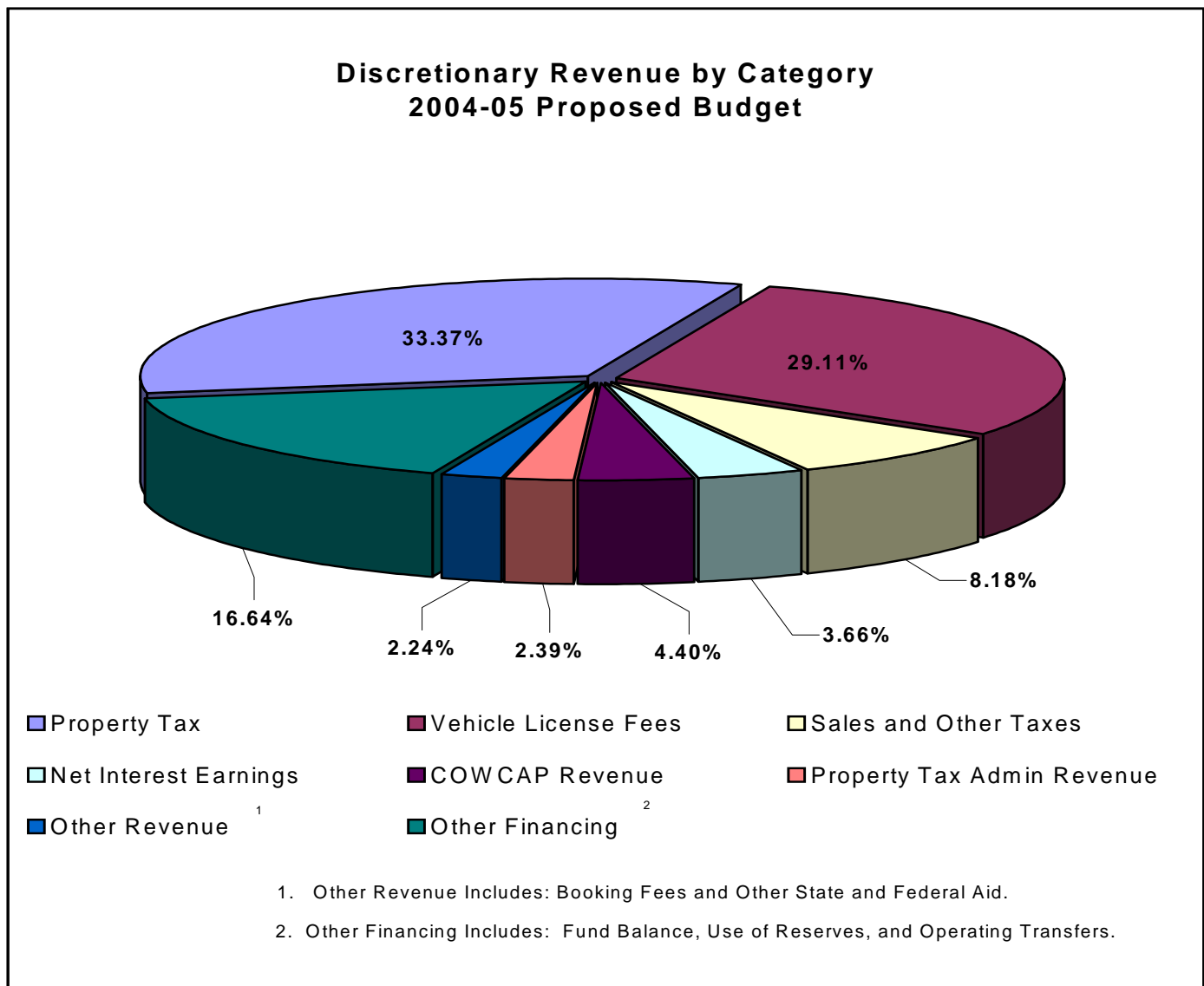
For 2004-05, general-purpose reserves are increased \$2.4 million. Uses of \$122,711 of the Equity Pool reserve are planned to fund the 2004-05 costs of approved equity adjustments. A planned use of \$1.0 million of the Justice Facilities reserve will be used to offset a portion of the cost of the most recent approved safety MOU.

DISCRETIONARY REVENUE

County general fund operations are financed with two major types of funding: departmental program revenues; and countywide, discretionary revenues.

Departmental program revenues include fees, service charges, and state and federal support for programs such as welfare, health care, child support and behavioral health. The balance of departmental costs not funded by these departmental revenue sources is considered local cost. Local cost is funded by countywide, discretionary revenues, such as property tax and vehicle license fees as well as other financing sources such as use of reserves, fund balance and operating transfers.

Gross local cost financing for 2004-05 is \$446,415,043. Shown below are the sources of local cost financing:



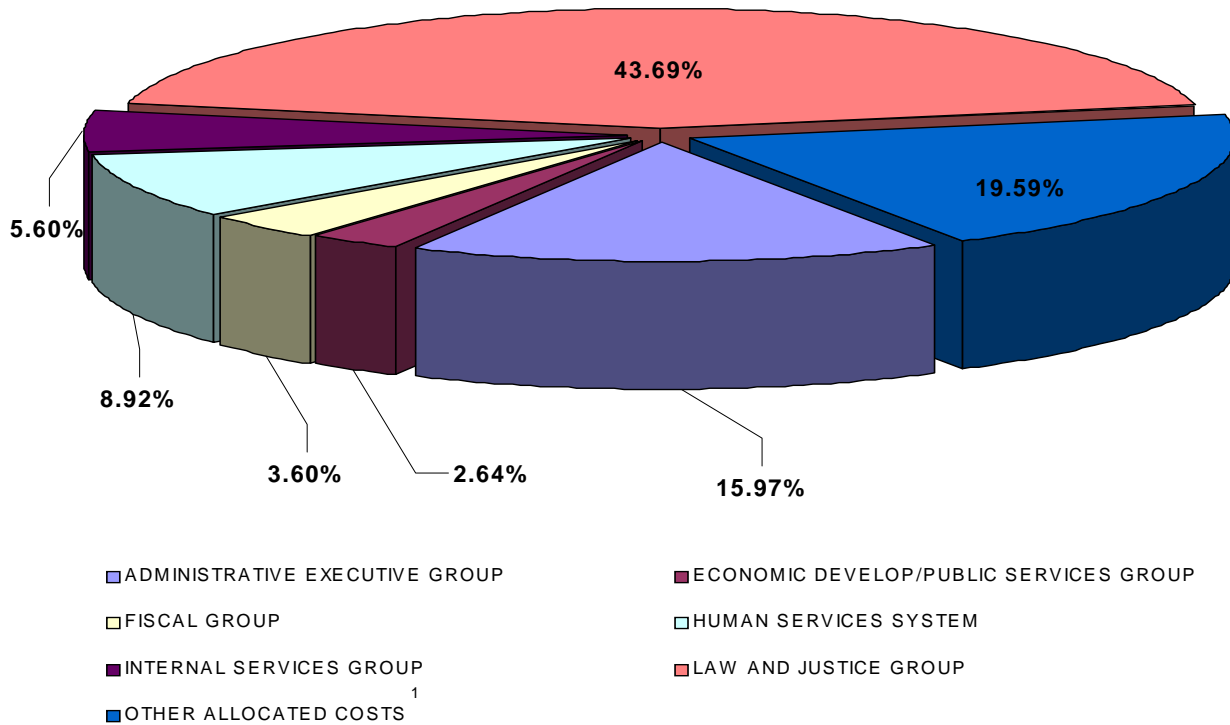
COUNTYWIDE REVENUES AND OTHER FINANCING WHICH PAY FOR GENERAL FUND LOCAL COST

	2003-04 Final Budget	2003-04 Estimates	2004-05 Proposed Budget
Net Non-departmental revenue			
Property Taxes:			
Current Secured, Unsecured, Unitary	125,905,507	130,461,255	137,207,735
Supplementals	4,885,025	5,133,241	5,275,827
Penalty on Current Taxes	1,135,599	1,700,000	1,135,599
Prior Property Taxes, penalties and interest	5,366,233	5,077,169	5,366,233
Total Property Taxes	137,292,364	142,371,665	148,985,394
Vehicle License Fees	124,974,967	91,303,606	129,971,160
Sales and Other Taxes	31,429,066	34,265,791	36,533,790
Net Interest Earnings	14,600,000	15,862,000	16,351,000
COWCAP Revenue	20,847,838	20,847,838	19,661,157
Property Tax Admin Revenue	9,395,173	8,633,846	10,651,703
Booking Fee Revenue	3,937,000	3,937,000	3,937,000
Other State and Federal Aid	3,329,275	3,489,621	3,619,799
Other Revenue	2,430,000	2,010,000	2,430,000
Subtotal	348,235,683	322,721,367	372,141,003
Other Financing			
Fund Balance	55,946,725	55,946,725	43,400,000
Use of Reserves	1,160,949	7,344,620	1,122,711
Operating Transfers	34,740,153	36,740,153	29,751,329
Subtotal	91,847,827	100,031,498	74,274,040
TOTAL	440,083,510	422,752,865	446,415,043

The most significant sources of county local cost financing are property tax and vehicle license fees. These two sources account for \$278,956,554 or 75.0% of net non-departmental revenues. Year-end fund balance available for financing is estimated to be \$43.4 million. Operating transfers includes transfers into the county general fund from the Courthouse and Criminal Justice Construction funds, Solid Waste Management, savings from refinancing, and the use of \$18.6 million of the tobacco settlement funds, of which \$15.0 million is to be applied towards Medical Center Debt Service.



Local Cost Analysis
Local Cost by Group
2004-05 Proposed Budget



Countywide discretionary revenues are allocated to various county departments as local cost. The above pie chart shows what percentage of the local cost is allocated to each of the groups.

The schedule on the following pages shows a comparison of prior year local cost and current year local cost by department. This schedule also includes appropriations and revenues, including operating transfers, which are mechanisms to move financing between the various county budget units. Operating transfers are presented in the following chart because the intended purpose is to provide a complete picture of the department's appropriation and revenues. Operating transfers are excluded from the countywide appropriation and revenue summaries presented in the beginning of this section, as their inclusion would overstate countywide appropriations and revenues on a consolidated basis.





Department Title	Final Budget 2003-04:			Proposed Budget 2004-05:			Change Between Final 2003-04 & Proposed 2004-05:		
	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost
BOARD OF SUPERVISORS (ALL DISTRICTS)	3,812,528	0	3,812,528	3,583,001	0	3,583,001	(229,527)	0	(229,527)
LEGISLATIVE COSTS	474,914	0	474,914	439,898	0	439,898	(35,016)	0	(35,016)
CLERK OF THE BOARD	912,389	62,500	849,889	885,493	66,500	818,993	(26,896)	4,000	(30,896)
COUNTY ADMINISTRATIVE OFFICE	3,466,745	0	3,466,745	3,232,502	0	3,232,502	(234,243)	0	(234,243)
COUNTY ADMINISTRATIVE OFFICE-LITIGATION	400,000	0	400,000	363,681	0	363,681	(36,319)	0	(36,319)
COUNTY ADMINISTRATIVE OFFICE-JOINT POWERS LEASES	20,467,787	0	20,467,787	21,039,293	0	21,039,293	571,506	0	571,506
COUNTY COUNSEL	7,102,029	3,777,460	3,324,569	8,132,085	4,761,611	3,370,474	1,030,056	984,151	45,905
HUMAN RESOURCES	8,157,864	3,103,566	5,054,298	5,380,631	302,500	5,078,131	(2,777,233)	(2,801,066)	23,833
HUMAN RESOURCES-EMPLOYEE HEALTH AND WELLNESS	30,000	30,000	0	35,000	35,000	0	5,000	5,000	0
HUMAN RESOURCES-UNEMPLOYMENT INSURANCE	2,700,000	0	2,700,000	4,000,000	0	4,000,000	1,300,000	0	1,300,000
INFORMATION SERVICES-EMERGING TECHNOLOGY	1,593,869	274,900	1,318,969	1,382,107	245,320	1,136,787	(211,762)	(29,580)	(182,182)
INFORMATION SERVICES-SYSTEMS DEVELOPMENT	10,136,609	4,480,501	5,656,108	9,407,884	3,755,256	5,652,628	(728,725)	(725,245)	(3,480)
HEALTH CARE COSTS	135,628,083	120,628,083	15,000,000	135,812,669	120,812,669	15,000,000	184,586	184,586	0
BEHAVIORAL HEALTH	121,296,698	119,453,945	1,842,753	110,521,180	108,678,427	1,842,753	(10,775,518)	(10,775,518)	0
BEHAVIORAL HEALTH-OADP	20,063,339	19,913,881	149,458	20,577,850	20,428,392	149,458	514,511	514,511	0
PUBLIC HEALTH	73,611,885	72,967,163	644,722	75,553,056	74,900,946	652,110	1,941,171	1,933,783	7,388
CALIFORNIA CHILDREN'S SERVICES	10,723,433	9,185,392	1,538,041	12,713,007	11,174,966	1,538,041	1,989,574	1,989,574	0
AMBULANCE REIMBURSEMENTS	472,501	0	472,501	472,501	0	472,501	0	0	0
LOCAL AGENCY FORMATION COMMISSION	173,400	0	173,400	154,000	0	154,000	(19,400)	0	(19,400)
COUNTY SCHOOLS	2,850,040	0	2,850,040	2,775,264	0	2,775,264	(74,776)	0	(74,776)
ADMINISTRATIVE/EXECUTIVE GROUP SUBTOTAL:	424,074,113	353,877,391	70,196,722	416,461,102	345,161,587	71,299,515	(7,613,011)	(8,715,804)	1,102,793
ASSESSOR	10,986,443	363,210	10,623,233	11,810,307	437,500	11,372,807	823,864	74,290	749,574
AUDITOR-CONTROLLER	12,494,542	9,689,972	2,804,570	14,647,191	12,278,194	2,368,997	2,152,649	2,588,222	(435,573)
TREASURER-TAX COLLECTOR	14,759,934	13,089,868	1,670,066	16,590,989	14,281,283	2,309,706	1,831,055	1,191,415	639,640
FISCAL GROUP SUBTOTAL:	38,240,919	23,143,050	15,097,869	43,048,487	26,996,977	16,051,510	4,807,568	3,853,927	953,641
ARCHITECTURE AND ENGINEERING	634,174	0	634,174	566,758	0	566,758	(67,416)	0	(67,416)
FACILITIES MANAGEMENT DEPARTMENT	12,110,568	5,645,888	6,464,680	11,747,206	5,572,292	6,174,914	(363,362)	(73,596)	(289,766)
UTILITIES	15,730,303	0	15,730,303	16,326,547	0	16,326,547	596,244	0	596,244
PURCHASING	1,112,209	10,000	1,102,209	1,073,018	35,000	1,038,018	(39,191)	25,000	(64,191)
REAL ESTATE SERVICES	2,142,465	1,547,050	595,415	2,213,960	1,549,650	664,310	71,495	2,600	68,895
RENTS	571,138	323,000	248,138	208,652	0	208,652	(362,486)	(323,000)	(39,486)
INTERNAL SERVICES GROUP SUBTOTAL:	32,300,857	7,525,938	24,774,919	32,136,141	7,156,942	24,979,199	(164,716)	(368,996)	204,280
COUNTY TRIAL COURTS-DRUG COURT	358,096	358,096	0	491,957	491,957	0	133,861	133,861	0
GRAND JURY	201,460	0	201,460	204,359	0	204,359	2,899	0	2,899
COUNTY TRIAL COURTS- INDIGENT DEFENSE	9,219,969	0	9,219,969	8,704,969	0	8,704,969	(515,000)	0	(515,000)
COUNTY TRIAL COURTS-JUDICIAL BENEFITS/FAC COSTS	1,873,598	0	1,873,598	2,034,597	0	2,034,597	160,999	0	160,999
COUNTY TRIAL COURTS-MAINTENANCE OF EFFORT	34,090,295	23,721,081	10,369,214	35,725,112	25,098,622	10,626,490	1,634,817	1,377,541	257,276
DISTRICT ATTORNEY-CRIMINAL	37,083,842	21,353,905	15,729,937	38,595,428	23,481,734	15,113,694	1,511,586	2,127,829	(616,243)
DISTRICT ATTORNEY-CHILD ABDUCT	773,000	0	773,000	807,087	0	807,087	34,087	0	34,087
LAW & JUSTICE ADMINISTRATION	115,587	49,000	66,587	112,035	5,000	107,035	(3,552)	(44,000)	40,448
PROBATION-ADMIN/COMM CORRECTIONS	33,879,650	20,846,422	13,033,228	33,591,048	21,600,878	11,990,170	(288,602)	754,456	(1,043,058)
PROBATION-COURT ORDERED PLACEMENTS	7,382,883	0	7,382,883	5,382,883	0	5,382,883	(2,000,000)	0	(2,000,000)
PROBATION-DETENTION CORRECTIONS	42,043,813	16,003,119	26,040,694	43,304,971	13,294,339	30,010,632	1,261,158	(2,708,780)	3,969,938
PROBATION-PRETRIAL DETENTION	512,610	0	512,610	0	0	0	(512,610)	0	(512,610)
PROBATION-AB 1913 GRANT	260,781	260,781	0	0	0	0	(260,781)	(260,781)	0
PUB ADMIN/PUB GUARDIAN/CONSERVATOR/CORONER	5,468,851	1,259,556	4,209,295	5,159,469	1,131,921	4,027,548	(309,382)	(127,635)	(181,747)
PUBLIC DEFENDER	19,718,736	500,000	19,218,736	19,950,532	250,000	19,700,532	231,796	(250,000)	481,796
SHERIFF	257,886,910	170,859,153	87,027,757	278,423,185	192,095,350	86,327,835	20,536,275	21,236,197	(699,922)
LAW AND JUSTICE GROUP SUBTOTAL:	450,870,081	255,211,113	195,658,968	472,487,632	277,449,801	195,037,831	21,617,551	22,238,688	(621,137)



Department Title	Final Budget 2003-04:			Proposed Budget 2004-05:			Change Between Final 2003-04 & Proposed 2004-05:		
	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost
ECON. DEV/PUBLIC SERVICES GROUP ADMINISTRATION	65,866	0	65,866	59,876	0	59,876	(5,980)	0	(5,980)
AIRPORTS	2,461,753	2,422,940	38,813	2,503,423	2,468,134	35,289	41,670	45,194	(3,524)
AGRICULTURE, WEIGHTS AND MEASURES	5,195,346	3,433,055	1,762,291	5,301,606	3,552,266	1,749,340	106,260	119,211	(12,951)
MUSEUMS	3,844,442	2,231,590	1,612,852	3,789,730	2,305,417	1,484,313	(54,712)	73,827	(128,539)
ECD-ECONOMIC PROMOTION	780,751	0	780,751	719,289	0	719,289	(61,462)	0	(61,462)
ECD-SMALL BUSINESS DEVELOPMENT	200,107	40,000	160,107	156,214	0	156,214	(43,893)	(40,000)	(3,893)
LAND USE SERVICES - CURRENT PLANNING	2,292,380	2,292,380	0	2,374,495	2,292,212	82,283	82,115	(168)	82,283
LAND USE SERVICES-ADVANCED PLANNING	3,395,955	2,142,113	1,253,842	3,387,890	2,263,881	1,124,009	(8,065)	121,768	(129,833)
LAND USE SERVICES-BUILDING AND SAFETY	5,629,926	5,629,926	0	7,387,219	7,387,219	0	1,757,293	1,757,293	0
LAND USE SERVICES-CODE ENFORCEMENT	2,960,413	408,200	2,552,213	2,963,825	575,000	2,388,825	3,412	166,800	(163,388)
LAND USE SERVICES-FIRE HAZARD ABATEMENT	1,951,692	1,951,692	0	2,034,741	2,034,741	0	83,049	83,049	0
PUBLIC WORKS-REGIONAL PARKS	6,766,471	5,812,110	954,361	7,189,007	6,129,148	1,059,859	422,536	317,038	105,498
PUBLIC WORKS-SURVEYOR	3,310,588	3,310,588	0	3,563,358	3,563,358	0	252,770	252,770	0
REGISTRAR OF VOTERS	4,484,686	1,744,134	2,740,552	3,285,368	652,000	2,633,368	(1,199,318)	(1,092,134)	(107,184)
FRANCHISE ADMINISTRATION	298,177	0	298,177	311,701	0	311,701	13,524	0	13,524
ECON DEVELOP/PUBLIC SERVICES SUBTOTAL:	43,638,543	31,418,728	12,219,815	45,027,742	33,223,376	11,804,366	1,389,199	1,804,648	(415,449)
AGING AND ADULT SERVICES	8,147,202	8,147,202	0	8,184,557	8,184,557	0	37,355	37,355	0
CHILD SUPPORT SERVICES	39,889,326	39,889,326	0	41,478,447	38,694,021	2,784,426	1,589,121	(1,195,305)	2,784,426
ADMINISTRATIVE CLAIM	297,664,713	286,197,963	11,466,750	323,382,345	310,052,303	13,330,042	25,717,632	23,854,340	1,863,292
CHILD ABUSE /DOMESTIC VIOLENCE	1,380,611	1,380,611	0	1,411,699	1,411,699	0	31,088	31,088	0
ENTITLEMENT PAYMENTS (CHILD CARE)	93,919,917	93,919,917	0	82,397,695	82,397,695	0	(11,522,222)	(11,522,222)	0
CHILDRENS OUT OF HOME CARE	338,164	0	338,164	367,618	0	367,618	29,454	0	29,454
AID TO ADOPTIVE CHILDREN	17,152,146	15,946,603	1,205,543	25,193,425	23,987,882	1,205,543	8,041,279	8,041,279	0
AFDC-FOSTER CARE	97,635,819	83,857,781	13,778,038	100,802,968	87,328,206	13,474,762	3,167,149	3,470,425	(303,276)
REFUGEE CASH ASSISTANCE	520,000	520,000	0	100,000	100,000	0	(420,000)	(420,000)	0
CASH ASSISTANCE - IMMIGRANTS	1,053,030	1,053,030	0	1,053,030	1,053,030	0	0	0	0
CALWORKS-FAMILY GROUP	196,553,943	192,123,884	4,430,059	196,029,188	191,128,458	4,900,730	(524,755)	(995,426)	470,671
KIN-GAP PROGRAM	3,351,569	2,795,803	555,766	4,556,185	3,793,024	763,161	1,204,616	997,221	207,395
AID FOR SERIOUSLY EMOTIONALLY DISTURBED	3,345,010	2,613,701	731,309	3,794,651	3,063,342	731,309	449,641	449,641	0
CALWORKS-2 PARENT FAMILIES	18,846,462	18,408,416	438,046	15,072,908	14,694,577	378,331	(3,773,554)	(3,713,839)	(59,715)
AID TO INDIGENTS	1,275,123	330,986	944,137	1,361,560	342,470	1,019,090	86,437	11,484	74,953
VETERANS AFFAIRS	1,130,068	257,018	873,050	1,145,928	299,667	846,261	15,860	42,649	(26,789)
HUMAN SERVICES SYSTEM SUBTOTAL:	782,203,103	747,442,241	34,760,862	806,332,204	766,530,931	39,801,273	24,129,101	19,088,690	5,040,411
SUBTOTAL:	1,771,327,616	1,418,618,461	352,709,155	1,815,493,308	1,456,519,614	358,973,694	44,165,692	37,901,153	6,264,539
CONTINGENCIES	70,572,366	0	70,572,366	76,458,010	0	76,458,010	5,885,644	0	5,885,644
RESERVE CONTRIBUTIONS	8,887,258	0	8,887,258	2,390,532	0	2,390,532	(6,496,726)	0	(6,496,726)
OPERATING TRANSFERS OUT	7,914,731	0	7,914,731	8,592,807	0	8,592,807	678,076	0	678,076
TOTAL ALLOCATED COSTS:	87,374,355	0	87,374,355	87,441,349	0	87,441,349	66,994	0	66,994
GRAND TOTAL:	1,858,701,971	1,418,618,461	440,083,510	1,902,934,657	1,456,519,614	446,415,043	44,232,686	37,901,153	6,331,533

COUNTY OF SAN BERNARDINO

The Board of Supervisors will hear presentations on the 2004-05 Proposed Budget on May 24 - 26, 2004. This budget covers the period from July 1, 2004 – June 30, 2005. Each department is responsible for operating within their budget and has the authority to spend up to the approved budget amount.

The County of San Bernardino's 2004-05 Proposed Budget consisting of the general fund, capital project funds, special revenue funds, and enterprise funds has a total appropriation of \$2.7 billion.

When developing their individual budgets, each department considers the following mission, vision, and value statements of the County of San Bernardino:

Mission Statement

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.

Vision Statement

Our vision is to create a safe, clean, and healthy environment that appeals to families and individuals, and attracts the best in business and industry. We will create, support, and enhance vibrant communities that emphasize beauty, culture, art, recreation, education, and a sense of history.

VALUES Statement

To achieve our Vision, we dedicate ourselves to these values:

- **V**aluing our workforce by providing recognition, training and education, opportunities for customer service and career development, a safe and healthy work environment and fair compensation.
- **A**ppreciation and promotion of the diverse cultures that comprise our workforce and the communities we serve.
- **L**eadership by coordinating regional planning through collaboration with local communities and businesses.
- **U**nquestioned integrity that embraces a culture of honor and trustworthiness.
- **E**xcellence in the development of efficient and cost-effective strategies to improve customer service in an atmosphere that allows and encourages new ideas.
- **S**ervice of the highest quality to our customers delivered with dignity and respect.



General Fund Budget Process

The County Administrative Office has the responsibility of developing the county financing plan for all general fund departments. The 2004-05 financing plan includes \$372.1 million in ongoing discretionary revenue. This revenue is comprised of property taxes, vehicle license fees, interest on the county investment pool, sales tax, and other taxes. Mandatory costs such as previously negotiated salary increases, previous year's Board approved costs, and other mandated costs are first financed by the discretionary revenue. After the mandatory costs are financed, the remaining unallocated discretionary revenue is presented to the Board of Supervisors during the budget workshop for approval of distribution.

This year, the County Administrative Office incorporated a reduction plan into the general fund departmental local cost allocations. This action was taken as a means to better position the county for the impacts of the State budget, which, when presented in January depicted an ominous picture for local government, especially counties. Most general fund departments receiving local cost were affected by the reductions; however, departmental mandated costs were exempted. For most departments, the reduction percentage was 9% of local cost, however, for various law and justice departments the percentage reduction was 4%.

In 2004-05, the amount of unallocated discretionary revenue and other financing sources, including Tobacco Settlement proceeds, is \$86.1 million (\$31.5 million ongoing and \$54.6 million one-time). This amount does not include any of the county's reserves. A portion of this unallocated discretionary revenue will be needed to address the actual impacts to the county based on the adoption of the State budget.

A budget workshop will be held on May 24 – 26, 2004, to discuss each department's proposed budget. Each department submitted a proposed budget based on the general fund financing amount allocated to them and their own departmental revenues. Departments also requested funding for those workload and program changes that were unable to be financed in their proposed budget.

Any budgetary changes the Board of Supervisors approve at the budget workshop will be incorporated in the 2004-05 budget that will be presented to the Board during the Budget and Fee Hearing beginning June 14, 2004, at 1:30 in the Board Chambers.

This hearing is held to obtain public input on the county budget and fee ordinance changes and to obtain additional Board changes to incorporate into the 2004-05 final budget.

Other Funds Budget Process

In addition to the general fund, the County of San Bernardino has capital project funds, special revenue funds, enterprise funds, and internal service funds. All of these funds are restricted to the revenue sources they receive. Each department having these types of funds is responsible for developing its budget based on the revenue resources available to them. These resources include projected revenue to be collected in 2004-05 and any revenue not spent and carried forward from prior years (for example, fund balance for special revenue funds). These budgets will also be discussed during the budget workshop and Budget and Fee Hearing.

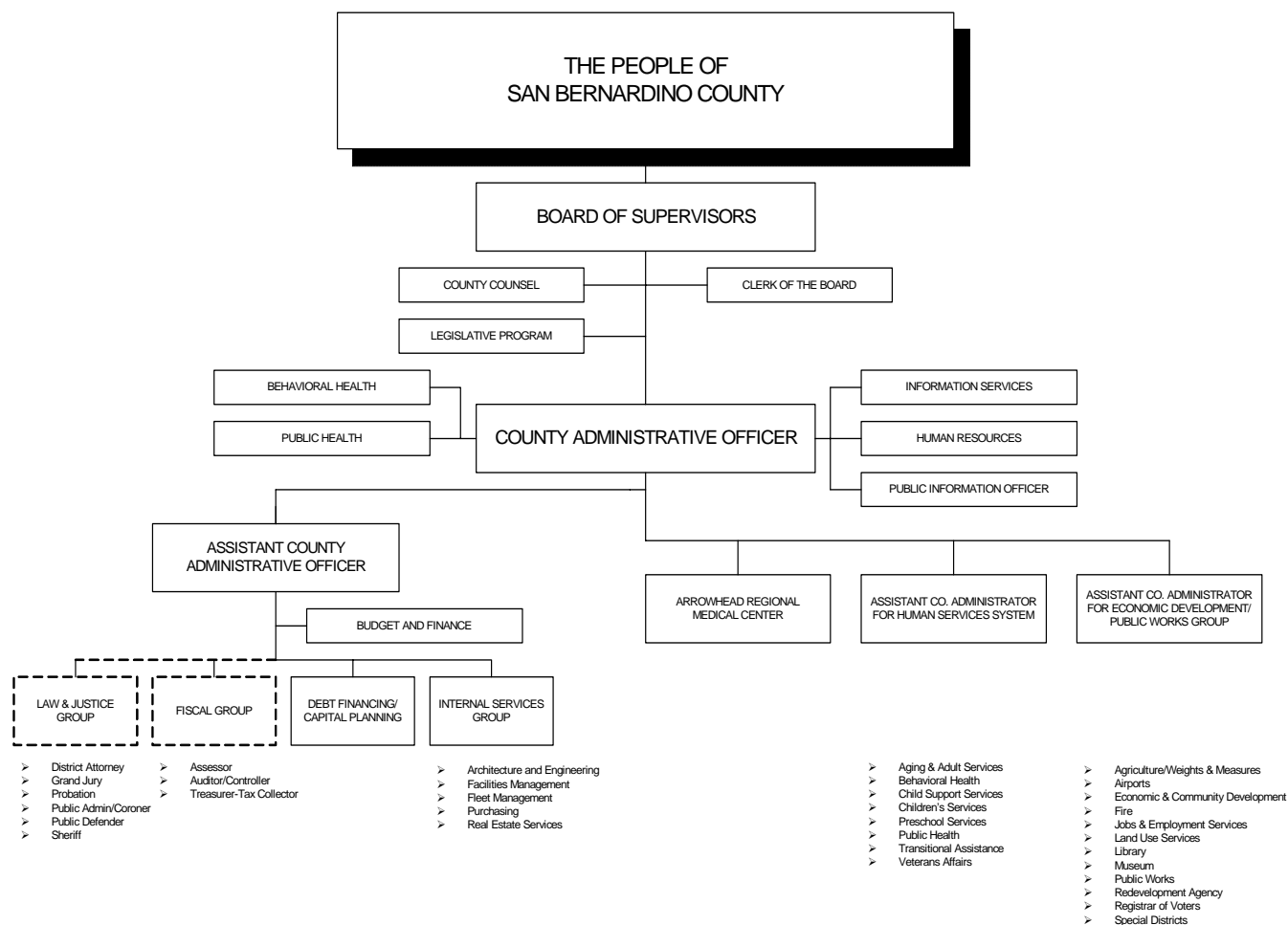


Proposed Budget Workbook Format

The County of San Bernardino's 2004-05 Proposed Budget is presented in this book based on the County Organizational Structure, which is depicted below. The Administrative/Executive Group is those departments that report directly to the Board of Supervisors or those departments that report directly to the County Administrative Office. This group performs functions related to the overall support of the county.

Budget units presented in this book are displayed at a fund/department level. Although some departments incorporate the organizational level (ORG) when developing their budgets, the fund/department level of presentation was selected to provide consistency between all budget units. A sample of the departmental budget format is shown on pages 4 – 8 of this Preface. This sample further shows and explains how each budget unit is presented in the book.

A list of Proposed Budget Definitions is provided on pages 9 – 13 of this Preface. This listing defines budget terms commonly used throughout the budget workbook.



Revised May 2004



**DEPARTMENT
DEPARTMENT HEAD**

The department name and responsible administrator are listed at the top.

MISSION STATEMENT

ORGANIZATIONAL CHART

Departments that have multiple budget units will have a summary at the front that lists the individual budget units and proposed budget figures for 2004-05 that they are responsible for.

	2004-05				
	Operating Exp/ Appropriation	Revenue	Local Cost	Rev Over(Under) Exp/ Fund Balance	Staffing
Budget #1				-	
Budget #2				-	
Budget #3			-		
Total	-	-	-	-	-

DESCRIPTION OF MAJOR SERVICES

Description of Major Services provides a narrative describing the function and activity of the budget in question.

BUDGET & WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimated 2003-04	Department Request 2004-05
Total Appropriation				
Total Revenue				
Local Cost				
Budgeted Staffing				
<u>Workload Indicators</u>				
Workload Indicator #1				
Workload Indicator #2				

Budget & Workload History provides a historical overview of the budget unit, including prior year actuals, the current year adopted budget and year-end estimates, and the department requested budget for next fiscal year.

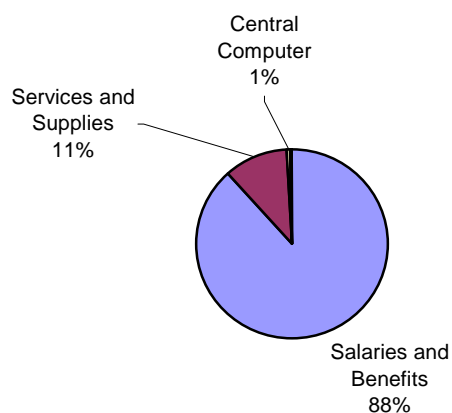
It also includes budget and actual information related to measurements of workload, called Workload Indicators.

For those departments that have significant variances between budget and estimates in 2003-04, there will be an explanation of why this occurred. The 2003-04 Budget is the original budget adopted in late June and does not reflect any mid year changes approved by the Board during the fiscal year. In many cases, this is why there are variances between budget and estimates in 2003-04.

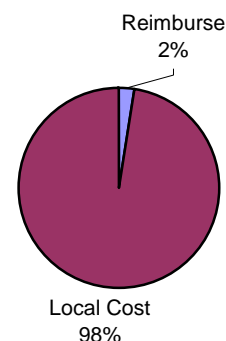


2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY

2004-05 BREAKDOWN BY FINANCING SOURCE



These graphs display a visual picture of the budget unit's breakdown of expenditure authority and financing sources for 2004-05.



The header shows which budget you are looking at and lists the Function and Activity that tie this page to the summary financial schedules prepared by the Auditor's Office.

GROUP: -
DEPARTMENT: -
FUND: -

BUDGET UNIT: -
FUNCTION: -
ACTIVITY: -

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	-	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-	-
Central Computer	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Improvement to Land	-	-	-	-	-	-	-	-
Improvement to Structures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
L/P Structures	-	-	-	-	-	-	-	-
L/P Equipment	-	-	-	-	-	-	-	-
L/P Vehicles	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-	-
Total Exp Authority	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-
Total Appropriation	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-
Total Requirements	-	-	-	-	-	-	-	-
Departmental Revenue								
Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Use Of Money and Prop	-	-	-	-	-	-	-	-
State, Fed or Gov't Aid	-	-	-	-	-	-	-	-
Current Services	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-
Total Financing Sources	-	-	-	-	-	-	-	-
Local Cost	-	-	-	-	-	-	-	-
Budgeted Staffing	-	-	-	-	-	-	-	-

This section provides a summary overview of how the budget is formed starting with current year adopted budget and how the budget incrementally progresses with other Board approved changes.

2003-04 Year-End Estimates are included for informational purposes. From left to right following the 2003-04 Year-End Estimates are: 2003-04 Final Budget; the Cost to Maintain Current Program which include non-discretionary budget changes, such as changes due to legal requirements or salary negotiations; Board Approved Adjustments which include Board approved changes to the base budget; and Impacts Due to State Budget Cuts which include reductions needed by departments to meet proposed state impacted reductions in county general fund financing. These are totaled in the Board Approved Base Budget column.

The next column continues this budget analysis by providing Department Recommended Funded Adjustments. This column includes program changes and requests to the existing base budget.



DEPARTMENT: -
 FUND: -
 BUDGET UNIT: -

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	-			-
Cost to Maintain Current Program Services		Schedule A provides a summary of the budget unit's activity.		
Salaries and Benefits Adjustments	-			-
Internal Service Fund Adjustments	-			-
Prop 172	-			-
Other Required Adjustments	-			-
Subtotal	-	Beginning with the final budget of the prior year, adding in the components of Board approved adjustments, such as local cost allocations to maintain current program services and mid-year adjustments; summarizing state impacts, if any; and summarizing department recommended funded adjustments, if any. The final line represents a total proposed budget.		-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-			-
Mid-Year Board Items	-			-
Subtotal	-			-
Impacts Due to State Budget Cuts	-			-
TOTAL BASE BUDGET	-			-
Department Recommended Funded Adjustments	-	If there is no information provided in Columns C & D of the Analysis, this schedule is omitted		-
TOTAL 2004-05 PROPOSED BUDGET	-			-

SCHEDULE B

DEPARTMENT: -
 FUND: -
 BUDGET UNIT: -

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
(Program Reduction)	-	Schedule B provides a listing of reductions the department was required to take in order to meet their local cost allocation.		-
(Explanation of Program Reduction, include impacts)	-			-
(Program Reduction)	-	Individual reductions are listed with explanations in order to provide the reader with the total picture caused by the impact of state budget reductions.		-
(Explanation of Program Reduction, include impacts)	-			-
(Program Reduction)	-			-
(Explanation of Program Reduction, include impacts)	-			-
(Program Reduction)	-			-
(Explanation of Program Reduction, include impacts)	-	If there is no information provided in Column E of the Analysis, this schedule is omitted.		-
(Program Reduction)	-			-
(Explanation of Program Reduction, include impacts)	-			-
(Program Reduction)	-			-
(Explanation of Program Reduction, include impacts)	-			-
Total	-	-	-	-



DEPARTMENT: -
 FUND: -
 BUDGET UNIT: -

SCHEDULE C

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1. Description Explanation				-
2. Description Explanation				-
3. Description Explanation				-
4. Description Explanation				-
5. Description Explanation	-	-	-	-
6. Description Explanation	-	-	-	-
Total				-

Schedule C provides the reader with a description and explanation of proposed changes the department desires to implement in the coming year.

The Board has not previously approved these adjustments.

If there is no information provided in Column G of the Analysis, this schedule is omitted.

DEPARTMENT: -
 FUND: -
 BUDGET UNIT: -

SCHEDULE D

POLICY ITEM REQUESTS

Ranking	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
	Policy Item (explanation of policy item, include impacts).				-
	Policy Item (explanation of policy item, include impacts).				-
	Policy Item (explanation of policy item, include impacts).				-
	Policy Item (explanation of policy item, include impacts).				-
	Policy Item (explanation of policy item, include impacts).				-
Total				-	-

Schedule D lists the department's requests for policy items, which are currently not included in their proposed budget request.

These items may include the restoration of staffing or programs due to the impacts of the state budget or may request approval for new programs not currently funded.

If the department is not requesting any policy items, then this schedule is omitted.



SCHEDULE E

DEPARTMENT: -
 FUND: -
 BUDGET UNIT: -

FEE REQUEST SUMMARY

Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Fee Request (explanation of fee request, include impacts).	<p>Schedule E summarizes the fee adjustments requested by the department. These adjustments may include new fees, changes to existing fees, or deletion of existing fees.</p> <p>Fees requests are not incorporated into the budget until approved by the Board of Supervisors during the budget and fee hearing.</p> <p>If the department is not requesting any fee adjustments, then this schedule is omitted.</p>			
Fee Request (explanation of fee request, include impacts).				
Fee Request (explanation of fee request, include impacts).				
Fee Request (explanation of fee request, include impacts).				
Total	-	-	-	-



PROPOSED BUDGET DEFINITIONS

30% Cost Reduction Plan: The 30% Cost Reduction Plan, approved by the Board on September 23, 2003, that provides cost saving measures for discretionary income. This action was the second phase of reductions from these Plans. The first series of reductions occurred on January 28, 2003.

Activity: A component within a fund; usually a specific line of work performed to accomplish a function for which a governmental unit is responsible.

Appropriation: An authorization from a specific fund to a specific program to make expenditures/incur obligations for a specified purpose and period of time. The budget contains many appropriations or items. These appropriations are limited to one year, unless otherwise specified.

Base Budget: This year's base budget represents the prior year approved budget plus mandated cost adjustments such as across-the-board salary increases (MOU), retirement costs, risk management liabilities, and previous year's mid-year Board approved costs.

Board Approved Adjustments: The Board Approved Adjustments reflect the anticipated costs of carrying out the current level of service or activities as authorized by the Board of Supervisors in the current year. It may include an adjustment for cost increases, but does not include changes in level of service over that authorized by the Board of Supervisors.

Budgeted Staffing: The number of equivalent positions funded in the budget unit. Also referred to as full-time equivalent (FTE).

Capital Project Funds: Capital Project Funds are used to account for financial resources designated for the acquisition or construction of major capital facilities other than those financed by Enterprise and Internal Service Funds.

Central Computer: Central Computer expense category is set up specifically to allocate the Information Services Department's computer charges to departments based on usage. These are countywide costs for computer infrastructure such as email, wide area network, payroll processing, and software/hardware staff support. Each department's Central Computer budget amount is estimated at the beginning of the fiscal year by the Information Services Department and is billed based on that estimate. Next year's budget (2005-06) will be adjusted based upon the actual usage in 2004-05.

Contingencies: An amount set aside within a budget for unforeseen expenditure requirements. Board action must be taken to spend contingency funds.

Costs to Maintain Current Program Services: All non-discretionary budget changes that are factored into the base budget: these include the cost of new mandates and negotiated salary increases. The Board of Supervisors approved these costs for the general fund in the County Administrative Office's financing plan.



COWCAP: COWCAP is an acronym for County Wide Cost Allocation Plan. It is the method by which indirect support costs for services such as Human Resources, Payroll, Purchasing, etc. are allocated to departments. It is prepared annually by the County Auditor/Controller-Recorder in accordance with the Office of Management and Budget, Budget Circular A-87, which is the guideline for state and federal reimbursements for indirect costs.

Department: An organizational device used by county management to group programs of a like nature.

Department Recommended Funded Adjustments: A proposal to change the level of service or funding sources authorized by the Board or to propose a new program funded through existing resources that is not currently authorized.

Depreciation: The recording of expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.

Discretionary Revenue: Revenue not legally designated for a specific purpose or program that can be appropriated at the discretion of the Board of Supervisors.

Employee Health & Productivity Program (EHaP): A modified duty/return to work program that utilizes specialized nurses to obtain effective and timely treatment for injured or ill employees. Overall goals are to return the employee to the workplace as soon as possible and to increase the health and productivity of employees through health promotion and risk reduction programs.

Encumbrance: An obligation placed on an appropriation to pay for goods or services that have been ordered by means of contracts, but not yet received. In other words, the money is tied up. Even though it has not been spent, it cannot be used for any other purpose.

Enterprise Funds: Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through operational revenues.

Expenditure: Generally, this term designates the amount of an appropriation used for goods and services, whether paid or unpaid, including expenses, and capital outlays where the accounts are kept on an accrual basis or a modified accrual basis. Where the accounts are kept on a cash basis, the term designates only actual cash disbursements.

Fiscal Year (FY): The County's twelve-month accounting period (July 1 through the following June 30), which varies from the calendar year and the federal fiscal year.

Fixed Asset: An asset of a long-term character such as land, buildings, furniture, and other equipment costing \$5,000 or more and having a useful life of one year or more.



Full-time Equivalent (FTE): The number of equivalent positions funded in the budget units. Also referred to as budgeted staffing.

Function: A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. This designation is specified by the State Controller. For example: "Public Protection" is the function of the Sheriff's Department.

Fund: A legal entity that provides for the segregation of moneys or other resources in the county treasury for specific activities or obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and fund balance, as well as its income and expenditures. The assets of a fund may also be placed into separate accounts to provide for limitations on specific fund income or expenditures.

Fund Balance: The excess of assets over liabilities, including the cancellation of prior year encumbrances.

GASB 34: Governmental Accounting Standards Board (GASB), Statement 34 establishes new requirements for the annual financial reports of state and local governments. The goal is to make annual reports easier to understand and more useful to people who use governmental financial information to make decisions.

There are many components of GASB 34, but as it relates to the budget, it is primarily composed of how services provided between county budget units are accounted. GASB 34 specifies how payments for services should be accounted for (either as reimbursements or as revenues). While the net impact is zero, reclassifications between these two categories cause inconsistencies when comparing year-to-year budgets by specific expense or revenue categories. In situations where this impact is significant, the departments have included an explanation of the reclassification.

General Fund: The General Fund is the predominate fund for financing county programs. It is used to account for revenues that are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the general fund are property taxes and other taxes, state and federal aid, current services, and other revenue. The general fund is used as the major funding source for the administrative/executive, economic development/public service, fiscal, human services system, internal services, and law and justice groups.

Impacts Due to State Budget Cuts: Reflects reductions in departmental local cost allocations to better position the county for the impacts caused by reductions at the state level. Most general fund departments receiving local cost were affected by the reductions; however, departmental mandated costs were exempted. For most departments, the reduction percentage was 9% of local cost, however, for various law and justice related departments the percentage reduction was 4%.

Internal Service Funds: Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.



Local Cost: Local cost is the amount contributed by the county general fund from its discretionary revenue sources to finance the activities of a department.

Memorandum of Understanding (MOU): For budget purposes, the MOU refers to an approved labor agreement between the county and an employee labor organization that details the salary, benefits, and other conditions of employment.

Mid-year Adjustments: Board approved changes to a department's budget after the adoption of the final budget.

Operating Transfers In/Out: A method of providing financing from one fund to another for the implementation of a project or program.

Other Charges: A category of accounts established for expenditures other than salaries and benefits, services and supplies, and fixed assets. Example: In Home Supportive Services.

Proposed Budget: The working document of the fiscal year under discussion. Approval of this document does not allow expenditures for fixed assets and for new permanent employee positions unless specifically approved by the Board of Supervisors.

Proposition 172: A permanent extension of a half-cent Local Public Safety Sales Tax approved by California voters on November 2, 1993. Proceeds of this sales tax must be dedicated to public safety.

Public Service Employee (PSE): PSEs are employees assigned to entry-level positions in a variety of fields and occupations for a limited duration. They are not full-time, regular county employees. PSEs are subject to an expedited recruiting process to accommodate additional workload or to handle one-time special projects. They do not receive the full range of benefits or have the civil service status of regular county employees.

Realignment Funding (Health & Welfare): In 1991-92 the state approved the Health & Welfare Realignment Program that involves a shift of program responsibilities from the state to the counties. This shift is funded through corresponding shift of dedicated Sales Tax and Vehicle License Fee revenue.

Reimbursements: Amount received as a repayment of the cost of work, or service performed, or of other expenditures made, for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure and is considered a financing source.

Revenue: The addition of cash or other current assets to governmental funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses and fees or investment earnings. Revenues are deposited in a fund for future appropriation.



SB 90 State-Mandated Local Program: State reimbursements to local governments for the cost of activities required by State legislative and executive acts.

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific sources of revenue whereby the use of such revenue is restricted by law for particular functions or activities of government.

Step Increases: An employee, based upon the completion of the required service hours in their classification, satisfactory work performance, and appointing authority recommendation, may receive step advancements. Step advancements/increases within the base salary range shall be based on two (2) step increments. Each increment is 2.5%.

Transfers: The movement of resources from one fund to another usually for payment of services received.

Unrestricted Net Assets: Net assets represent equity in capitalized assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt attributable to those assets. In other words, it is the difference between a government's assets and its liabilities.

